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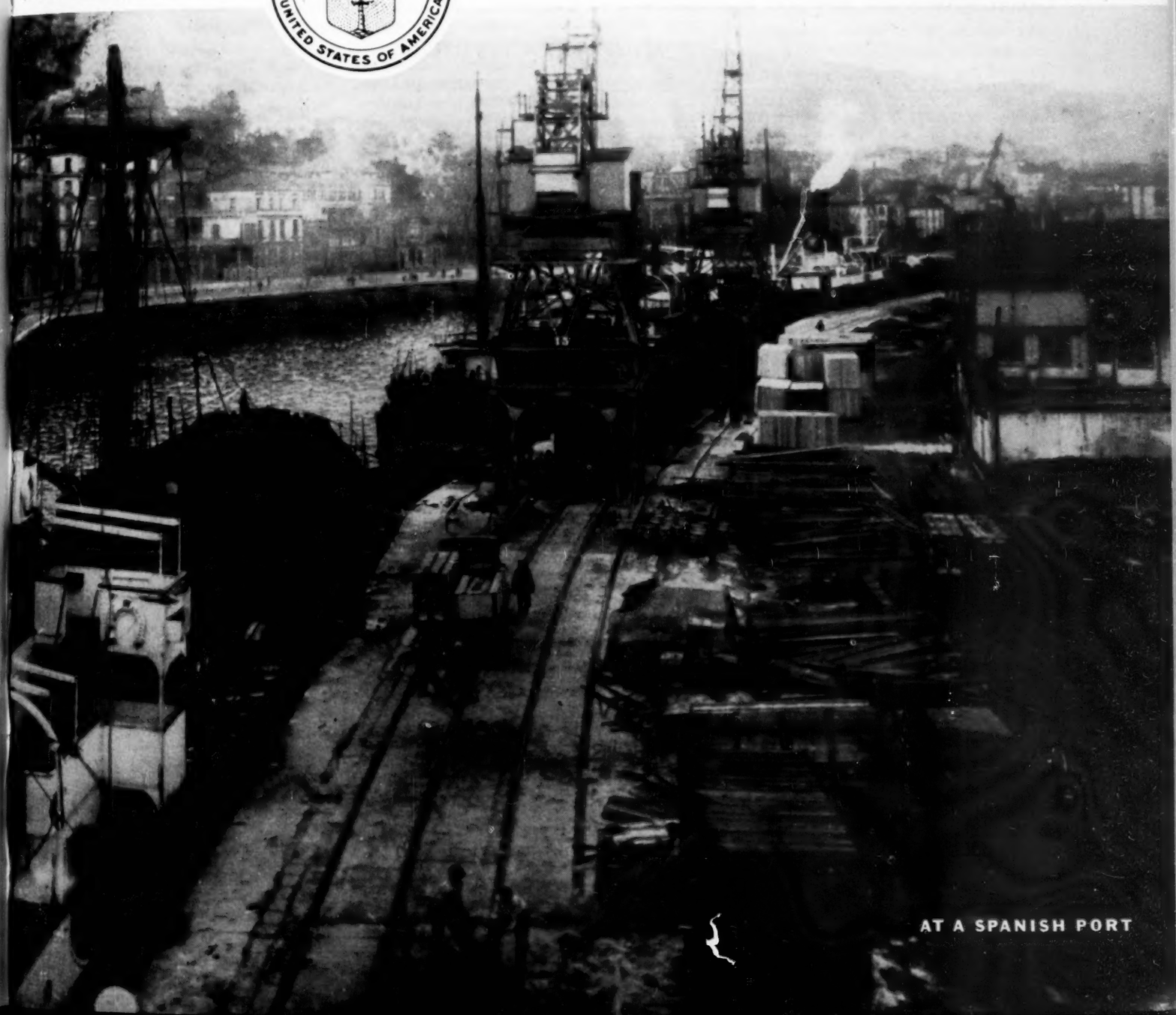

AT A SPANISH PORT

Foreign Commerce Weekly

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Issued by the UNITED STATES DEPARTMENT OF COMMERCE, HENRY A. WALLACE, *Secretary*
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The Urals: Present Center of Soviet Industrial Power

Extensive Hydroelectric-Power Developments Form One Major Aspect of the Dynamic Changes and Advancement Now Witnessed in the Area That Has Been in Recent Years a Highly Vigorous Center of Soviet Production—a Region Extremely Rich in Resources of Diverse Sorts

By EUGENIE BOUIANOVSKY, *European Division, Office of International Trade, Department of Commerce*

THE NATURAL RESOURCES of the Ural region have been known and exploited for more than two centuries. The industrial development of this area proceeded rapidly for a time. Then, toward the end of the nineteenth century, it suffered a period of set-back until the late 1920's when the first Five-Year Plan started the process of intensive industrialization of the region. However, it was during the war, and because of the war, that a number of the Ural industries took a leading place in the economy of the U. S. S. R., and the region became the country's chief supplier of armaments and munitions for the Red Army. To quote figures: the yearly increase in gross industrial output during the war years 1941–43 reached more than 50 percent, compared with about 16 percent in the prewar years (1938–40). In 1942–43, the Urals' share in the total U. S. S. R. gross output amounted to more than 25 percent, compared with 6.6 percent in 1940 and 6.2 percent in 1937.

The Urals are now the most important region of the U. S. S. R. in the production of ferrous and nonferrous metals, and they stand high in a number of other industries. The following list shows the output of that region as compared with the total production of the U. S. S. R. (figures as of 1942):

	Percent
Pig iron	65
Steel	56
Rolled metal	over 58
Zinc	over 35
Copper (crude)	52
Copper (refined)	90
Magnesium	100
Aluminum	100
Metal processing	33

Capital investment in the Urals in 1942–43 represented about one-quarter of the country's total.

The war changed considerably the character of the Ural industries. Tractor plants, car foundries, metallurgical-equipment plants, and agricultural-machinery plants began producing ammunition and building tanks, aircraft, and other war supplies. This rapid change was made possible partly by adapting the existing equipment, partly by incorporating in the local plants the equipment evacuated from the western areas occupied by the Germans, and partly by building new plants.

The intense development of war industries entailed a parallel development of coal mining, electric-power production, machine building, and a number of other auxiliary industries.

Natural Resources

The Ural Mountains contain almost fabulous natural resources. The iron-ore deposits in that area rank among the most important ones in the world in quality, quantity, and variety. Some ores contain as much as 55 to 62 percent of iron. Phosphorus content of the ore sometimes is as low as 0.02 percent and sulfur 0.04 percent. Some ores contain the necessary alloys and do not have to go through the process of mixing to make ferro-alloys, such as ferro-nickel, ferro-chromium, ferro-cobalt, ferro-vanadium, and ferro-titanium. The largest iron-ore deposits are found in Sverdlovsk, Chelyabinsk, and Chkalov oblasts, and in the Bashkir A. S. S. R. The Sverdlovsk and the Chkalov oblasts and the Bashkir A. S. S. R. The Sverdlovsk and the Chkalov oblasts and the Bashkir A. S. S. R. have large deposits of manganese. Deposits of high-quality chromite recently discovered in the southern Urals proved to be enormous.

In the open-hearth-furnace shop of a steel plant in the Urals.

Ural district's "hydroelectric picture."

Among the nonferrous metals, the most important is copper, found in copper-pyrite deposits the majority of which also contain gold, silver, zinc, sulfur, and selenium. Despite the tremendous strides made in copper mining, and the leading place held by the Urals in copper production of the U. S. S. R., the copper deposits are not yet exploited to their full capacity. Platinum deposits in the middle Urals are among the largest in the world. The middle and southern Urals contain nickel-cobalt ores. A number of copper-pyrite deposits have revealed the presence of sulfide cobalts. Bauxite, previously unknown in the region, is now found all along the Ural range in sufficient quantity to provide the aluminum industry with raw material for years to come. The Ural deposits of magnesium salts are large enough to supply almost indefinitely any demands of the magnesium industry. Other vast deposits which supply the chemical industry include sylvanite, salt, sulfur, iodine, and bromine.

Large quantities of asbestos in the Urals are sufficient to meet the requirements for building and fireproof materials produced in the region. Coal and oil complete the long list of the Urals' natural resources. Coking coal is found only in the Kizel region, but there are a number of coal deposits which supply fuel coal. Total coal deposits in the Urals as of January 1, 1938, were estimated at 7,649,000,000 tons, although resources have not yet been exploited to their full capacity and undoubtedly there are deposits still unknown.

Development of Ural Industry

The industrial history of the Urals dates back to the end of the seventeenth and the beginning of the eighteenth centuries when that region was the country's chief supplier of metals and arms. At the end of the eighteenth century, the Urals produced iron in sufficient quantities to supply not only Russia, but also Western Europe. However, owing to the lack of a proper system of exploitation, the absence of adequate transport, the dwindling supplies of wood fuel, and the competition of the growing metallurgical industry of the South, the importance of the Urals began to decline. During the First World War there was an attempt to revive the metallurgical industry, but the effort was unsuccessful. The iron-ore output declined from 800,000 metric tons in 1913 to 500,000 tons in 1916, and pig-iron smelting from 325,000 tons to 225,000 tons.

A new phase of the development of the Urals began in the 1920's. It was becoming more and more evident that the country's industries could not depend on the only coal and metallurgical center which existed at that time in the South of the U. S. S. R. Upon the suggestion of Joseph Stalin it was decided to create another such center, based on the natural resources of the Urals and Siberia. It was also found necessary to develop other industries using local raw materials (nonferrous metallurgy, textiles, etc.) in the eastern and southeastern regions of the U. S. S. R. (the Urals, Siberia, Kazakhstan, and Central Asia).

The Soviet Five-Year Plans breathed new life into the development of the Urals. The iron industry of the area, by drawing on the Kuznetsk Basin for fuel and supplementing it with local supplies, in a short time made tremendous strides. Big new metallurgical plants, the Magnitogorsk Metallurgical Combine and the Chelyabinsk Ferro-Alloy Plant, were established, and a number of old plants were reconstructed. These plants became the most important producers of high-quality steels for aviation, tractor,

and tool industries. Changes in the mining system, and in its development and modernization, made it possible to obtain in 1938 seven times as much iron ore as in 1928. About 70 percent of the total ore output came from the Magnitogorsk mines which were equipped with the most modern machinery and were capable of providing with ore the Ural plants and, in addition, the Kuznetsk Metallurgical Plant. Numerous old mines underwent considerable reconstruction.

The number of ore-concentrating mills also increased. At the end of the second Five-Year Plan (1933–37), there were five washeries, seven crushing-concentrating and crushing-sorting mills, two agglomerating plants, and a briqueting installation, as compared with a single washery in 1927.

The shift from wood to mineral fuel was one of the deciding factors in the development of the Ural industries. Two coking plants—the Magnitogorsk and the Gubakha—producing (in 1940) up to 2,000,000 tons of coke and a number of chemical products, were built during 1928–37.

Nonferrous metallurgy (zinc, magnesium, and aluminum) progressed in step with the ferrous industry. The largest copper-smelting plants—the Middle Ural Copper-Smelting Combine, the Krasnoural, the Pyshma Electrolytic Copper—and a number of other plants were built during the same period.

In the past, machine building was concentrated in the regions of Moscow, Leningrad, Kharkov, and the Donets Basin. During the 10-year period beginning in 1928, more than 200 big concerns were built in the Urals, including such giants as the Ural Machine-Building Plant, the Chelyabinsk Tractor Plant, the Ural Car-Building Plant, and the Sverdlovsk Electrical Equipment Plant. Many of the already-existing plants underwent reconstruction and modernization. The machine-building industry came to the Urals to stay. According to the nature of the product, this industry concentrated around four centers: Sverdlovsk took the leading role, producing heavy machinery and electrical equipment; railway-car building was concentrated in the Nizhni-Tagil region; tractors and agricultural machinery became the specialty of Chelyabinsk; and Molotov became the center for building miscellaneous machinery and ships. Seventy percent of the entire output of the machine-building industry of the Urals came from these four points.

The general development of industry and the discovery of large deposits of potassium salts were conditions which created the chemical industry in that area. To supply power for the rapidly developing industries, the Government built several large power plants, among them the Middle Ural G. R. E. S. (State Regional Electrical Station) and the Chelyabinsk G. R. E. S., each with a capacity of 150,000 kilowatts.

Oil, previously unknown in the Urals, was discovered in several regions. Coal mines in the vicinity of Chelyabinsk, Kizel, and other localities were put into operation. Prior to the war the Soviet Five-Year Plans brought considerable improvement in the railroad system. The Troitsk-Kartaly-Magnitnaya, the Sverdlovsk-Kurgan, and other new lines were built, and the existing lines developed.

The increase of population in most of the industrial centers was enormous. The following figures indicate the growth of some of these cities:

	December 17, 1926	*December 17, 1939*
Sverdlovsk	140,300	425,500
Chelyabinsk	59,300	273,100
Chkalov	123,300	172,900
Nizhni-Tagil	38,800	159,900
Magnitogorsk	(1)	145,900

[1] New city.

Compared with 1913, the gross output of the Ural industries had increased more than ninefold by the end of the second Five-Year Plan (1933–37): 2,600,000 tons of pig iron and 3,700,000 tons of steel were smelted in 1937, compared with 902,000 tons of pig iron and 947,000 tons of steel in 1913. Development of the Ural industries during the peace years of the third Five-Year Plan continued the same trend of expansion of ferrous- and nonferrous-metal production, the chemical industry, and the machine-building industry. The Novo-Tagil Metallurgical Plant, a number of blast and open-hearth furnaces, and one of the largest blooming mills in the Magnitogorsk Metallurgical Combine were put into operation during that period.

Output of chemical products, particularly of sulfuric acid and potassium fertilizer, has increased. Heavy-machine building, metal processing, and oil-refining industries doubled their capacity. Paper and cellulose mills began rapid development.

To provide power for the expanded industries, the Government built a number of additional thermoelectric stations and increased the production of peat and coal.

Some new industries, such as meat production, dairying, and consumer-goods manufacture, made their appearance in the Urals. In the short period between the beginning of the third Five-Year Plan and the declaration of war, the total output of the Ural region took a 50 percent jump over the 1937 figures. Thus, by the time the U. S. S. R. entered the war the Ural region had become a very important economic area, with highly organized metal, chemical, machine-building, fuel, and a number of auxiliary industries.

The Urals During the War

With enemy occupation of the western and part of the southern regions of the U. S. S. R., the country was forced to

(Continued on p. 53)

Consumer goods made in the Urals. Here we see waterproof shoes turned out in a department of a plant at Berezniki, which produces chemical soda.

Franco Spain in Crisis: Economy Shifts and Dips

The Record for 1945 (Just Becoming Available in Detail) Reveals Some Startling Setbacks of the Moment, as Well as Numerous Basic and Deepening Maladjustments; Suffering Damaging Misfortunes of Nature, and Caught in the Entanglements and Adverse Impacts of Postwar World-Mutations, the Country Has Seen Agricultural Output Slashed, Industries Curtailed, Needs Intensified, and Commerce Badly Hit

Based on Data From Official U. S. Government Sources

ECONOMIC CONDITIONS in Spain during 1945 became rapidly worse as the continued drought caused the most nearly complete crop failure of the present century and drastically curtailed electric-power production. While the decline in agricultural and industrial activities sharply contracted the gross income of the working population, the available supply of consumer goods fell somewhat more precipitously, with resulting shortages and price increases. The continued absence of some of the more important foreign markets and sources of supply, in consequence of wartime and postwar conditions, remained a retarding influence on foreign trade only equalled by the scarcity of foreign exchange for imports.

These "crisis developments" tended to obscure the fundamental, deeply meaningful changes which have taken place in the Spanish economy during the past decade. It seems desirable to review these briefly, so as to get the graphic background for what has been happening in recent months.

Until the late 1920's, the commercial life of Spain was peculiarly isolated from other countries. Foreign investments in Spain, mostly limited to a few public services and a few mines, were relatively small, and Spanish investments abroad were negligible. Exports, consisting mainly of oranges, wines, olive oil, almonds, cork, canned fish, and minerals, were significant, but were relatively small as compared with those of other Western European countries. Imports were also relatively small, and included principally cotton, fertilizers, petroleum products, machinery, and manufactures. A protectionist tariff policy was usually followed, and, except in time of war, exports exceeded imports.

Agricultural production normally equalled or exceeded domestic requirements for nearly all foodstuffs, despite the relatively backward farming methods employed. Industrial development, principally in Vizcaya and Cataluna, was progressing slowly, but at an increasing rate. Educational and living standards were lower than in the countries to the north of Spain, particularly with regard to the rural population. Although a fair railroad system existed, the private companies then owning the various lines were perennially in financial difficulties. Economic regionalism had been dealt a severe blow by the extensive highway-construction program of the dictator Primo de Rivera in the last years of the monarchy—but these improvements were not fully exploited because of insufficient foreign currency resources with which to purchase an adequate number of vehicles or sufficient supplies of petroleum products.

New Standards Reared

Following the costly Civil War (1936–39), economic nationalism and self-sufficiency became the avowed guiding principles of the State. Government intervention in economic affairs increased. A form of syndicalist control over industry was established. Exchange control, import and export licensing methods, and price fixing and rationing systems were strengthened. Social insurance and other types of labor legislation were reformed and extended.

Reconstruction and development needs for industrial products and equipment, in the absence of most foreign sources of supply during the World War which began in 1939, led to the rise and expansion of a variety of small manufacturing plants in Spain. The competitive buying of the belligerent nations assisted the revival of some industries, stimulated the production of various strategic commodities, and furnished sufficient foreign exchange for purchasing abroad supplies of many products needed for the domestic economy.

Striking Alterations

Meanwhile, the general price level in Spain rose more rapidly than wages and more rapidly than world price levels. Industrial expansion was handicapped by the limited power supply, the insufficiency of heavy machinery (which Spanish engineers were unable to design or produce), and the difficulties of obtaining machinery and equipment from abroad. Agricultural production suffered from uncertainty with respect to foreign markets, insufficient supplies of fertilizers and equipment, and inadequate basic prices established by the Government. Transportation improvements were restricted by antiquated highway and railway equipment and reduced supplies of gasoline and high-grade coal.

The unusual conditions of the past decade have accordingly caused a decline in agricultural acreage planted, as well as in farm production, making Spain dependent on large imports of food products to provide even minimum consumption requirements. The depletion of reserves of high-grade ores in mines now operating, as in the case of iron ore, brought about a decline in production and exports of some minerals. Potential industrial output has increased, but remains limited by the difficulties of expanding present coal production, constructing new electric-power centrals, and modernizing the transport system.

"Unsatisfied Demand"

At the same time, many of the new industries could compete only with diffi-

culty against foreign products in the domestic market without the aid of wartime conditions, import restrictions, and the existing overvaluation of the Spanish peseta. The outlook for a significant volume of exports of most manufactures, other than canned goods, cork products, and a few chemical products, seems unfavorable.

There remains a large unsatisfied domestic demand for machinery, transportation equipment, farming implements, and many types of manufactures not produced in Spain.

Sharply Down Grade

In 1945, the worst drought in recent times accentuated the increased need for expanding foreign trade. As compared with 1944, agricultural production declined *about 40 to 50 percent*, while industrial output fell *at least 25 percent*. Although the official index of wholesale prices showed a rise of only 10 percent during the first 10 months of the year, many products were only available at black-market prices (which rose 20 to 30 percent) or were not available at all. Rations of food products were reduced. While there were no significant labor disturbances, thousands were unemployed. Wage rates were not appreciably modified, but reduced economic activity made it obvious that labor's aggregate income had fallen sharply.

Budgetary expenditures continued to rise, and the volume of currency in circulation also increased. While the credit position of the Franco Government remained strong, there was a noticeable abundance of short-term investment money, an upward trend in total bank deposits, and a rising rate in the upward movement of prices. These factors and the continued expenditure of about half of the Government's receipts on military, naval, air, and police forces, made clear the need for modification of existing economic and financial policies to meet the exigencies of postwar conditions.

Favorable Balance Gone

By the close of the year, it was apparent that Spain's wartime favorable foreign-trade balance had disappeared, and a larger volume of imports was prevented only by stricter administration of import licensing and exchange control.

Legislation prohibiting foreign ownership of more than 25 percent in domestic manufacturing and industrial firms together with uncertainties as to prospective availability of foreign currency resources for profit remittances and eventual remission of invested capital, made it unlikely that foreign capital would come to Spain.

Five-Billion-Peseta Drop

As mentioned at the beginning of this article, Spain's principal activity, agriculture, experienced in 1945 the worst harvest of the present century. Production, already stated to have been roughly 50 percent below that in 1944, was actually 30 percent below the *average* during the period from 1931 to 1935. The failure of harvests last season, following the light yields of the two preceding years, has placed the Spanish farmer on the verge of bankruptcy and has caused food rations in many parts of the country to be reduced to near-starvation levels.

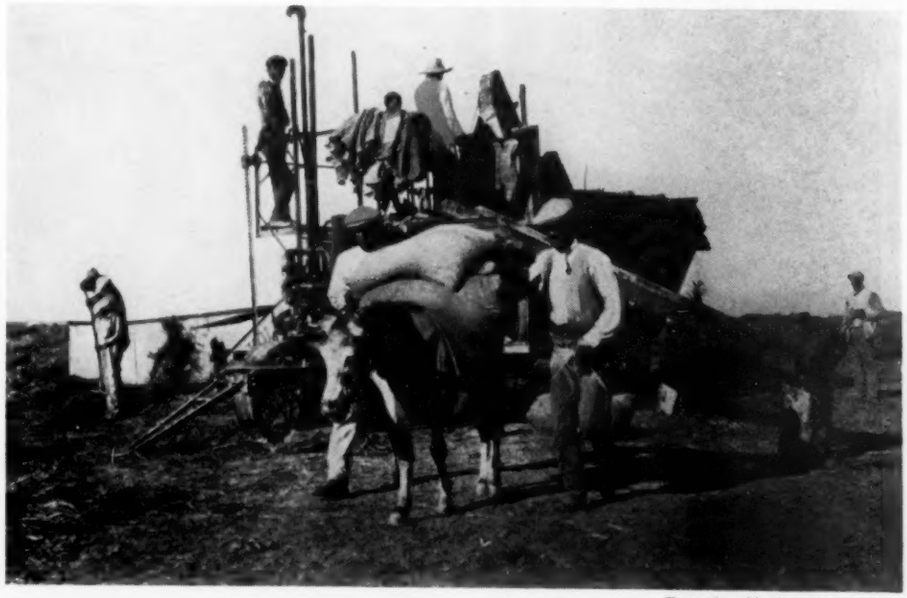
The extreme drought was the direct cause of the reduced yields of most crops. Important *contributing* factors, however, included the shortage of fertilizers which has existed since the beginning of the Civil War in Spain, the continued lack of adequate supplies of farming machinery, and the increasing transportation difficulties. Some types of farming have also been adversely affected by the present system of price regulation, while producers of export crops again suffered from uncertain foreign marketing conditions. The estimated difference between the cash values of the harvests in 1944 and 1945 represents a loss of more than 5,000,000,000 pesetas.

Spanish agriculture in normal times before the Civil War supplied most of the domestic needs of the country and furnished the basis for the greater part of the export trade. A few tropical products, obtained principally from Spanish colonies, cotton, and wood pulp were the only significant import items of an agricultural nature. The more important agricultural exports included oranges, wines and cognacs, olives and olive oil, which with nuts, other fruits, essences, cork, and "naval stores" made up about 75 percent of total exports.

Equilibrium Lacking

Since the Civil War (1936–39), Spain has not regained domestic equilibrium in production and consumption of foodstuffs, nor has the volume of agricultural exports reached former levels. The wartime demand for some export products, however, enabled certain exporters to maintain a high level of gross receipts, but a majority suffered from disrupted markets. Domestic prices in 1945 were about 250 percent above 1936 averages. With existing exchange rates, agricultural exporters encountered increasing difficulty in meeting foreign competition.

Dry farming is necessary in most of central and southern Spain, because of the normally light rainfall in nearly all the country's areas except the northern Provinces and certain coastal regions. The soil has been allowed to deteriorate for centuries, the forests of central Spain were destroyed several hundred years ago, and the use of fertilizers is more important than in more northerly countries of Europe. There was an acute shortage of nitrates during the war, and in 1945 only about 30,000 metric tons were received from Chile, the principal supply source, although arrangements were made for receipts of about 40,000 tons in the first half of 1946. Normal needs for imports of fertilizers are around 600,000 tons, of which about 200,000 are nitrogenous.



On a great Spanish estate.

Courtesy National Archives

What Happened to Grains

The principal cereal crop, wheat, did not exceed 1,800,000 metric tons in 1945—or about 60 percent of the 1944 crop, and about 2,500,000 tons short of the 1931–35 average. An acute shortage of wheat therefore developed, and large imports became necessary to meet domestic needs, estimated at somewhat over 3,000,000 tons on a strictly rationed basis.

Oat, barley, and rye yields were similarly low in 1945. The oat harvest was about 175,000 tons, compared with 286,000 tons in 1944 and a 1931–35 average of 670,000 tons. Barley production was about 595,000 tons, or about 40 percent of 1944 and about 28 percent of the pre-Civil-War annual production. The rye crop was about 185,000 tons, as compared with 486,000 tons in 1944.

The corn crop was less unfavorable, amounting to 375,000 tons, or 165,000 tons less than 1944. The 1945 potato harvest was about 3,000,000 tons, or only about 300,000 tons less than in the preceding year.

Many Declines Recorded

Olive-oil production was estimated at about 210,000 metric tons, as compared with 270,000 tons in the preceding harvest. The green-olive crop was estimated at about 18,000 hogsheads (of 440 kilograms) of "Queens" and 25,000 hogsheads of "Manzanillas."

The grape yield was about 20 percent less than in 1944, this fact being due to a combination of the drought and an unusually late and severe freeze in May. The wine yield was estimated at 13,000,000 hectoliters, as compared with 17,300,000 in 1944 and an annual average of 23,400,000 hectoliters during the 1926–35 period.

The ginned-cotton output was estimated at about 18,000 bales of 220 kilograms each, compared with about 27,000 bales in 1944. About 3,200 tons of tobacco were harvested, compared with 7,500 tons in the preceding season.

The actual cork strip was only about 40,000 tons, compared with 60,000 tons in 1944. This resulted from a shortage of truck transportation, the absence of central-European markets, high costs of stripping, and a lack of power for milling operations.

Spain's turpentine and resin industries also suffered from the transportation and power shortage.

The 1945–46 crop of oranges, Spain's principal export product, was estimated in December at about 800,000 tons, about one-third of which are consumed domestically.

Mineral Output Falls

The decline in mineral production, which began in mid-1944, with the suspension of surface communications between Spain and the rest of Continental Europe, continued during 1945. As power restrictions became more severe, output of many minerals came to a virtual standstill by November. Heavy rains at the close of the year led to an improved power situation, with the result that substantial improvements in industrial conditions were anticipated.

During World War II, the mining industry and parts of the metallurgical industry benefited more than any other sector of the national economy from the competitive purchasing by the belligerent nations and the increased domestic demands resulting from restricted foreign sources of metals and machinery. Although the foreign demand for Spanish minerals was considerably reduced by the beginning of 1945, domestic needs caused the Government to continue its efforts to obtain a larger output of coal and of a few scarce metals not available on the world market. However, because of the general power shortage, early estimates of total production of the mining and metallurgical industries indicated an over-all decline of at least 20 percent as compared with 1944.

A total of 11,694,000 metric tons of coal was produced in 1944. During the first 9 months of 1945, production was about 1 percent above that of the first three quarters of the preceding year. However, the virtual suspension of work in many mines during the final quarter of the year probably caused a decline in the annual output.

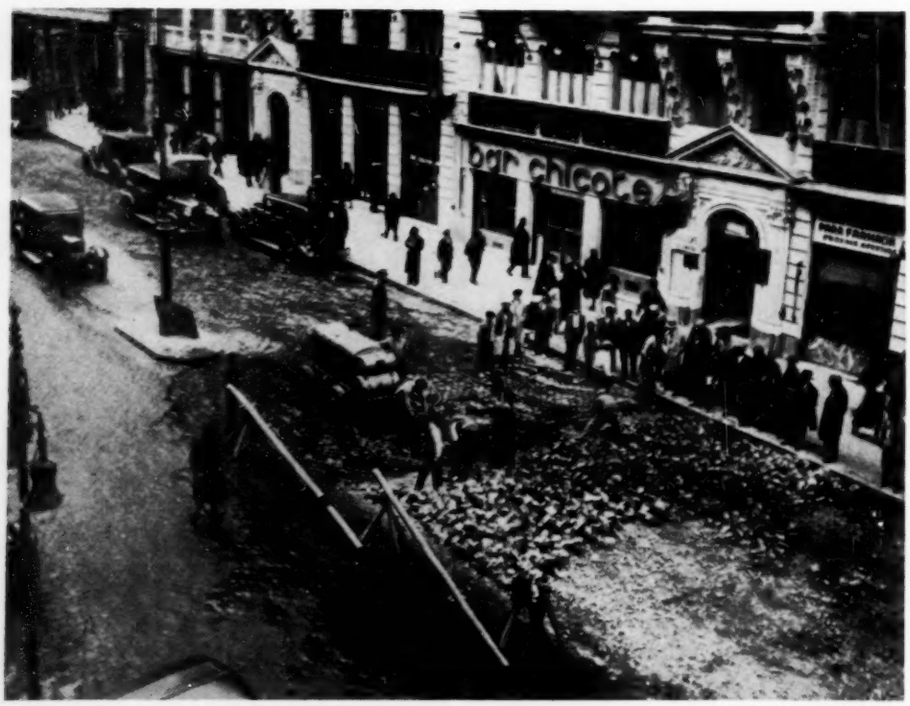
The iron-mining industry was affected somewhat more than coal mining by the shortage of power, output being estimated at least 15 percent below the 1944 level when about 1,710,000 metric tons were produced.

In the iron and steel industry, the output of pig iron registered a decline of about 30 percent in 1945 as compared with the 550,000 tons produced in 1944, while steel output fell about 25 percent from the 835,000 tons produced in 1944.

Pyrites production increased by about 15 percent during the January–September period of 1945, as compared with the corresponding period of 1944, largely as a result of increased British demand. Output for the year was estimated at about 400,000 tons. Sulfur production, associated with the mining of pyrites, suffered a decline, however, due to the shortage of water for crushing and flotation plants. Copper output also declined sharply.

Lead production was about 15 percent under the 32,000 tons smelted in 1944. The zinc metal output was estimated at about 17,000 tons, or about 10 percent less than 1944.

An estimated 35,000 flasks of mercury were produced in 1945, about the same as in 1944. About 90 percent of Spain's mercury comes from the Government-owned mines of Almaden.



Courtesy National Archives

Repairing a street in a big Spanish city.

Output of tin concentrates is believed to have doubled in 1945, in consequence of a Government price subsidy. Production was about 1,500 tons of concentrates. Manganese-ore output dropped to about 22,000 tons, or about 30 percent less than in 1944.

Tungsten Now "Plummeting"

During the war years, tungsten ore was the principal object of competitive buying by the Allies and the Axis. Production in 1943 was above 3,800 tons of 60 percent WO_3 concentrate, declining to about two-thirds of that amount in 1944. It is doubtful whether production reached even as much as 200 tons in 1945.

Fluorspar, also an object of competitive buying, was affected somewhat differently from tungsten ore, since it may be produced cheaply enough in peacetime to find a market abroad. Nevertheless, output declined sharply, amounting to only 5,600 tons during the first 9 months of 1945, compared with 48,000 tons during the corresponding period of the preceding year.

Potash production began to increase with the end of hostilities, reaching about 527,000 tons during the first 9 months of 1945. During the same period of 1944, output was 465,000 tons.

Manufacturing Curtailed

Activity in the manufacturing and construction fields was progressively curtailed throughout 1945 as a result of the electric power shortage and transportation difficulties. Despite the construction of interconnections between nearly all the regional power systems, and although thermic output was doubled, by the middle of November industrial current was available in Spain only about 2 days a week.

The important textile industry, located in the Barcelona area, probably experienced its best year since the Civil War. Raw-cotton arrivals were regular. Foreign and domestic demand was good because of the world shortage. A favored position in the allocation of electric power and coal was granted by the Government. Nevertheless, in the late months of the year operations were finally curtailed. to 2 or 3 days per week.

Construction activities declined somewhat in consequence of shortages of power, water, materials, and transportation facilities. The decline was not so great as might have been expected, however, because investors were apprehensive of future monetary conditions. The acute shortage of apartments and individual dwellings was also an important sustaining factor. Sales of portland cement declined slightly from 1,500,000 tons in 1944 to 1,440,000 tons.

Courtesy National Archives

Free-port warehouse at Uribitarte (Bilbao), Spain.

In the glass industry, operations were below normal, in both the bottle and the flat-glass branches. The handicaps which persisted through 1945 included insufficient electricity, coal, and sodium carbonate; irregular receipts of fuel oil; uncertain transportation conditions; and, in some branches, a shortage of machinery. The curtailment of exports of wine to the United States was also a retarding factor.

The Spanish shoe industry includes some 1,600 large and small enterprises and 45,000 workers. Capacity production is estimated at 30,000,000 or 40,000,000 pairs a year, but actual production was only about 11,000,000, a slight decline from the preceding year. Activity in the paper industry continued to be restricted by shortages of soda, chlorine, and paper pulp. Soap production was estimated at 5 percent of capacity.

Smaller domestic industries were also affected in the general decline of activity. Wholesale and retail houses reported a lower turn-over. Banks reported a smaller volume of credit extended to small business.

More Fish Caught

General conditions in Spain's fishing industry, while far from satisfactory, were probably better than in 1944. Shortages of coal and equipment continued, but petroleum supplies were obtained with less difficulty. The fishing fleet was no longer restricted in operations to coastal waters. In the early part of the year fish runs were larger than usual.

Tin-plate shortages continued to restrict fish-packing operations, for both the domestic and the export markets. Annual requirements of about 40,000 tons of tin plate have not been available since before the civil war.

More "Gas"—Rail Service Hit

Highway and automotive transportation in general improved in 1945 as compared with 1944, mainly as a result of the increased supply of gasoline. Shortages of vehicles, spare parts, and tires and the general obsolescence of trucks and cars operating in Spain continued to be important factors in limiting transportation.

Railway services declined during the past year mainly as a result of shortages of electricity and coal but also because of inadequate supplies of water. The shortage of equipment continued. Passenger-train schedules were reduced to divert equipment to the distribution of foodstuffs needed in areas particularly affected by the drought.

The purchase of a majority interest in the Spanish Telephone Co. by the Spanish Government from the American owners was the most significant event of the year in the field of communications.

How Merchant Marine Fared

In 1945 a slightly larger volume of tonnage was reportedly carried by the

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Amsterdam Diamond Trade: Some Sparkle is Recaptured

Resuming Work Right After War's End, Dutch Industry Obtains Increasing Quantities of Stones; Pushes Foreign-Trade Efforts; Copes With Problems Created by Nazi Robberies and Deportations; Speeds Up Workers' Training, and Tackles Questions Arising From War-Born Enterprises. Tougher Today Than Formerly Is World Competition, But Netherland Diamond Interests Set Sights High and Look Toward Wider Markets Abroad. Situation Affects U. S., Which Bought, Prewar, As Much As $7,000,000 a Year of Amsterdam's Diamonds

By MARIAN K. TATE, *Industry Analysis Staff, Office of International Trade, Department of Commerce*

THE GUNS of World War II had scarcely ceased roaring in the Netherlands before members of the diamond industry in that country were back at their trade. On May 4, 1945, the German armies in the Netherlands capitulated, and, the following day, officials of the Amsterdam Diamond Workers' Union reopened their offices.

Work progressed slowly at first, but in August an agreement was concluded with the London Diamond Syndicate for bimonthly shipments of rough diamonds, and by fall cutters and polishers were busily engaged.

The Road Back

The first postwar shipments of rough stones from London, valued at approximately £125,000 sterling, proved insufficient for the capacity of the industry, and the quota was stepped up. By March 1946, Amsterdam firms were receiving an average of £200,000 worth of diamonds every other month. Some of the increase, as explained by the trade, might be accounted for by a rise in prices—15 percent higher for roughs suitable for large gems, approximately 30 percent for melees, used for smaller gem stones, and as much as 100 percent for the chip gem stones—but there was also a definite increase in the *volume* of stones supplied.

Assured regular shipments of roughs, the leaders of the diamond industry hastened to resume their foreign trade in polished stones. As a result, from September 1945 to the end of February 1946 (according to figures from the Netherlands), $2,400,000 worth of diamonds were shipped to the United States and some small amounts to Great Britain and Sweden.

That the Amsterdam diamond trade could have achieved even this degree of recovery was all the more remarkable when viewed in the light of the difficulties it faced at the conclusion of the war. The industry which opened its doors following the liberation of the Netherlands from the enemy was only a shadow of the organization which had enjoyed worldwide importance scarcely 5 years before.

Ordeal Undergone

Diamond firms suffered tremendous losses during the war. Forced sales and the confiscation by the Germans of more than 50,000 carats of stones, taken from bank vaults and spirited away before the advancing Allies, were only a part of the story. More than one diamond manufacturer found himself ready to go the limit in sacrificing his stones rather than have them fall into the hands of the enemy, and the now-it-can-be-told stories abound in deeds of personal heroism directed toward the preservation of the industry's integrity.

However, the greatest loss probably came in the wholesale deportation of executives and skilled workers. In the German persecution of Jews, who had been estimated in 1939 to constitute as much as 80 percent of the Netherlands diamond workers, the industry lost the major part of its highly skilled labor. Some few were saved at great risk by neighbors, and many others, whose number will never be known, fled to other countries. The majority, however, victims of Nazi fanaticism, were dragged off to the almost sure death of concentration camps in the Reich and in Poland. It is said that out of one mass deportation to Poland alone, only 50 or 60 of the group of 1,500 to 2,000 diamond workers survived.

Handicaps Faced

Thus it happened that, although Amsterdam shops regularly employed between 2,400 and 4,000 persons before the war, there were but 500 workers available when manufacturers opened for business following the liberation. The number increased within a few months to between 700 and 800 and was estimated in March 1946 at 1,000. This is said, however, to be only a fraction of the labor necessary if the industry is to regain its former position.

Some few workers can still probably be counted on to return from abroad but members of the trade realize that they will have to fill up the ranks from the bottom rather than rely too greatly on the return of former employees. It has been obvious, too, that customary methods of apprenticeship would have to be changed. Prior to the war each apprentice was assigned to a particular worker who remained his teacher during the entire period required for learning the trade. No worker had more than one pupil at a time. Since in certain sections of the industry the apprenticeship period might be as long as 3 years, the number of apprentices that any worker might train during his life was definitely limited, and the plan obviously did not lend itself to the need for filling up rapidly the depleted ranks of workers. Members of the trade, therefore, decided that workers might teach classes of from 10 to 15 apprentices.

Training Program Pushed

Manufacturers started immediately to enroll apprentices, and by March 1946 the number of workers under training

had reached 450. Because their apprenticeship, for the most part, will cover a year and a half to two years, it will necessarily be some time before the program will have an appreciable effect on the available number of trained diamond workers.

The rise in the weekly wage of skilled cutters to $38, or about twice the prewar level, will undoubtedly serve as an important incentive for larger numbers of learners to enter the field. Further, the output per worker may be expected to increase as supplies of food become more adequate and the undernourishment and other hardships of the war years are gradually overcome.

Getting Rough Stones

A second and almost equally serious problem confronting the Netherlands diamond trade at the end of the war was the difficulty experienced in obtaining rough stones for polishing. Several factors contributed to the gravity of the situation.

Although cut off from the source of supply when the Netherlands was overrun by the Germans early in 1940, it was possible for diamond cutters and polishers to operate on a restricted scale throughout the period of hostilities by using stocks on hand. That they were able to continue as long as they did was largely due to the gradual slowing down of activities as a result of the constant deportations of workers and the deliberate use of "stalling" as a means of resisting the enemy. Trading, by this time limited to a small group of domestic manufacturers and dealers, was practically at a standstill. When in September 1944 gas and electricity were no longer available, work at the cutting and polishing machines ceased altogether. Some rough stones were still available after the war, but not in adequate quantity, or of the best quality, and the industry found itself completely dependent on new imports.

Quandary About New Firms

The willingness of the London diamond syndicate (Diamond Trading Corporation, Ltd.) to supply its pre-1940 customers in Amsterdam with rough stones did not wholly solve the problem, either. A large number of new firms had sprung up during the war, and these had no claim on stones distributed on this basis. Thus matters were even further complicated.

These new firms arose in various ways. Some of the operators sought work as diamond cutters to save themselves from being sent to Germany for forced labor. Others put their money into new diamond firms because they considered gems one of the safest forms of investment; still others branched out "on their own" when former employers were deported.

It was inevitable that some of the war-born establishments would be short-lived—and some in fact did not last beyond the end of the war which had brought them into being—but many were expected to continue if they could get rough stones for polishing. On the other hand, only 25 of the 50 diamond firms operating in Amsterdam before the war managed to survive, so the question arose as to whether these were eligible to both their own quotas and the quota of the now-defunct houses. In the end, however, the matter was settled by an agreement that the distribution be made on the basis of the number of employees and the prewar consumption of each firm. The newly founded war enterprises (as is made plain in a valuable recent study by N. R. H. van Essen, Director of the Rijksbureau voor Diamant) do not receive any diamonds from the diamond syndicate at London and are therefore forced to buy raw diamonds in the Amsterdam market at higher prices.

Although Amsterdam diamond manufacturers are cautious in predicting the amounts of rough stones that may be available during 1946, they are generally agreed that the present allocations will be continued, and some are even confident of getting higher quotas. One prominent member of the trade indicated his belief that, despite current difficulties in obtaining workers, as much as 20 percent more stones could be handled. Necessarily much depends on an increase in the world supply of rough stones, mining of which was affected by the war.

"Matter of Conjecture"

Whether the diamond industry of the Netherlands will be able to regain its prewar status is still a matter of conjecture. Judged on the basis of its age and importance in the national economy, there is much in its favor. Although diamond cutting and polishing is said to have been brought to Amsterdam as early as the 1580's by refugees from Belgium—then the southern part of the Netherlands—it was the discovery of the South African diamond mines in 1867 and the mechanization of the cutting and polishing trades in Amsterdam, from 1892 on, which provided the greatest impetus for its development, putting it on the road to become one of the foremost sources of income for the city.

During its heyday in the 1920's the Amsterdam diamond industry frequently exported more than $20,000,000 worth of cut stones to the United States alone and gave employment to almost 13,000 workmen. The world-wide depression and growing competition on the part of Belgian and German firms were responsible for its subsequent recession, but even in the 1930's the Netherlands still furnished the United States with as much as $7,000,000 worth of stones, or 23 percent of the total cut but unset diamonds imported into this country.

Competition Serious

With the German industry out of the running, there should be a better chance for Amsterdam to regain its prewar im-

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Official Netherlands photo

Diamond cutter in Amsterdam.

Greece's Aromatic Tobacco: Possibilities and Enigmas

"Almost Completely Paralyzed"—That Phrase Describes the Acquisition and Foreign Shipment in 1945 of the Flavorful Greek Tobacco Now Ardently Desired by Various American Buyers. What of 1946? Efforts To Conduct Business Are Going on Today, But Difficulties Are Multiform; Among These One Encounters Currency Disruptions, Unrest, Curtailed Areas, Lack of Confidence, and Diverse Hesitancies and Hobbles; Restoration of Smoothly Flowing Trade Seems To Mean Basic Regenerative Measures

Based on Report by PRINT HUDSON, *Agricultural Attaché, American Embassy, Athens; Prepared in the Foodstuffs, Fats and Oils Division, Office of International Trade, Department of Commerce*

TOBACCO PLAYS A ROLE of paramount importance in the economic life of Greece. While its plantations occupy less than 4 percent of the total cultivated acreage, tobacco gives the means of livelihood to about 15 percent of the population. Furthermore, it represents normally about 50 percent (by value) of the total commodity exports of Greece and provides about 20 percent of the State revenues. It is no wonder, therefore, that the Greeks look to tobacco as one of the primary factors in reestablishing the shattered economy of their country.

In prewar years, Macedonian leaf was an important element in all popular United States cigarette blends. During the period of hostilities, manufacturers were obliged to depend on accumulated stocks, reduction of aromatic-tobacco content, or heavier use of Turkish varieties. United States postwar requirements for this flavorful leaf will be great.

The production and acreage of tobacco in Greece since the war has been considerably below the prewar amounts. As was the case of other agricultural crops, the military occupation of the country by Axis forces reduced very drastically the yield of tobacco. The area of Eastern Macedonia and Thrace, which was occupied by Bulgaria, comprises more than 50 percent of the tobacco-producing territory in Greece.

Adverse Production Conditions

During the spring of 1945, unrest resulting from previous military activities, and from the fact that growers had been unable to sell their 1944 crop, still prevailed in northern Greece. This condition, especially marked in Macedonia and Thrace, the area of heaviest tobacco production, prevented farmers from making proper preparation of their land for tobacco. Further, growers had prepared their land for the cultivation of foodstuffs and other crops, inasmuch as tobacco was usually confiscated by the enemy.

A prolonged drought throughout the late spring, summer, and early fall of 1945, especially in the plains of northern Greece, materially reduced the yield of tobacco. The lack of necessary draft animals and tools prevented adequate cultivation of the crop. The small acreage for 1945 resulted partly from the poor prospects for immediate disposal of the year's production, partly from the lack of shelters and tobacco sheds, many of which had been destroyed by the invaders.

The foregoing conditions are reflected in the small area planted to tobacco in 1945, also the decline in yield, compared with that of the 1937–40 period, as shown in the table on page 13.

Outlook for 1946

The consensus of Greek tobacco experts appears to be that the acreage planted to tobacco this year will be substantially larger than in 1945 but below the prewar average. Although production undoubtedly will exceed the preceding year's crop, it is expected to fall short of the 1934–38 average of 126,000,000 pounds.

Courtesy National Archives

Tobacco field in Greek Macedonia.

Tobacco Area and Production in Greece, 1937–45

Year	Area [2] (1,000 stremma)	Production [3] (1,000 metric tons)
1937	956	69
1938	835	48
1939	866	55
1940	695	51
1941 [1]	238	12
1942 [1]	95	4
1943 [1]	139	9
1944	320	20
1945	460	24

[1] Data for these years do not include Eastern Macedonia and Thrace because of the Bulgarian occupation.
[2] Estimates on area from Greek Government statistics.
[3] For 1941, 1942, and 1943, preliminary estimates by Greek Government experts. Production in Eastern Macedonia and Thrace is estimated at from 8,000 to 12,000 metric tons for each of the 3 years. For 1944 and 1945, unofficial estimates for all Greece, including Eastern Macedonia and Thrace; total production in these Provinces is estimated at 15,000 tons.

NOTE.—1 stremma = 0.2471 acres, 1 metric ton = 2204.6 pounds.
Source: Greek Government.

Drying tobacco in Greece. Courtesy National Archives

With an important percentage of the last two yields still in the hands of growers, and in view of the general distrust of the currency situation, incentives for cultivating prewar areas of tobacco are not great.

Government Control

Before the war the Greek Government exercised a very strict control over tobacco production. This included the acreage to be planted as well as the districts in which tobacco might be grown. Quality control as well as price control is given as a reason for such regulations.

Since the war, the Government has not been able to enforce restrictions even if they were deemed necessary. Certainly at the present time the restriction of acreages for the control of prices has no basis for existence. The inflationary conditions which have existed since mid-1945 would render inoperative any attempt to stabilize the prices of tobacco. The restriction earlier imposed on the acreages of tobacco which could be planted in the various production regions was removed for the 1945 crop. This action was taken in an effort by the Government to encourage the production of more tobacco—the one product that can be depended upon to relieve the country's need for foreign exchange.

Leaf Consumption

Accurate estimates of Greece's domestic consumption of tobacco during the war years are not available. It is estimated that approximately 7,000 metric tons of tobacco were consumed in Greece during 1945, compared with a prewar consumption estimated at about 5,300 tons. Practically all of the tobacco consumed in Greece is in the form of cigarettes; less than 1 percent is consumed in the form of cigars and other tobacco products. No chewing tobacco or snuff is used in Greece.

A sharp rise in the number of Greek smokers probably accounts for the increased postwar requirements for leaf tobacco. As in other countries of the world, the women of Greece have begun to smoke cigarettes, especially in the urban areas.

Manipulated Stocks

Existing stocks of tobacco on hand in Greece on January 1, 1946, were comparatively small, as compared with holdings normally carried prior to the war.

On January 1, 1945, stocks of manipulated tobacco on hand in Greece, of the 1941 and 1942 crops, were estimated at 950 metric tons; those of the 1943 production amounted to 7,450 tons, or a total of 8,400 tons.

Of this amount, about 3,400 tons have been purchased by representatives of United States cigarette manufacturers for export. This tobacco, consisting of grades suitable for United States requirements, is part of the stocks collected, graded, and stored by the Germans and Bulgarians but abandoned when they left Greece.

Efforts of representatives of United States cigarette companies to purchase supplies of Greek tobacco in 1945 were not very successful, beyond obtaining the manipulated tobacco held by the Greek Government. The rapid decrease in the value of the drachma together with the attendant increase in cost of living, discouraged the sale of tobacco by growers and rendered difficult the collection by the Greek Government of tobacco stocks for export.

Transportation difficulties and lack of burlap for wrapping the leaf delayed shipment of tobacco to the United States. Further delays were occasioned by the requirement that United States buyers must negotiate with the Greek Government in the purchase of the tobacco.

In addition to the sales to American buyers, about 2,500 metric tons of inferior quality were acquired by Greek cigarette factories for local manufacture. Further sales were made to British, Swiss, and Swedish buyers. Summarized below are all these sales of manipulated stocks:

	Metric tons
American firms	3,400
Greek cigarette manufacturers	2,500
British firms	400
Swiss firms	200
Swedish Tobacco Monopoly	150
Total	6,650

Remaining stocks of the 1941, 1942, and 1943 crops, consisting mainly of qualities not acceptable to United States purchasers, were in the hands of the Greek Government on January 1, 1946, with a small amount held by private concerns.

Unmanipulated Stocks

Of the stocks of unmanipulated tobacco (1944 and 1945 yields) more than 30,000 metric tons are reported held by tobacco growers. This amount is in addition to 4,225 tons purchased in 1945 by manufacturers producing cigarettes for domestic consumption. These figures do not include approximately 3,000 tons of lower grade tobaccos which are unsuited for export. Distribution of these stocks, by regions, is shown later, in a table.

Of the unmanipulated stocks listed, it is estimated that approximately 7,000 tons will be used for domestic Greek consumption in the year 1946.

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New WORLD TRADE LEADS

Prepared in the Commercial Intelligence Division, Office of International Trade

The firms and individuals listed below have recently expressed their interest in buying or selling in the United States, or in United States representations. *Most of these trade opportunities have been reported by American Foreign Service Officers abroad, following requests by local firms for assistance in locating American trade contacts.* Additional information concerning each export or import opportunity, including a World Trade Directory Report, is available to qualified United States firms, and may be obtained upon inquiry from the Commercial Intelligence Division of the Department of Commerce, or through its field offices, for $1 each. *Interested United States firms should correspond directly with the firms listed concerning any projected business arrangements.*

While every effort is made to include only firms or individuals of good repute, the Department of Commerce cannot assume any responsibility for any transactions undertaken with these firms. The usual precautions should be taken in all cases, and all transactions are subject to prevailing export and import controls in this country and abroad. (*It is recognized that many of the items specified as export opportunities are in short supply or that full facilities for private trade may not have been reestablished in some of the areas from which inquiries have been received. However, many United States foreign traders are proceeding now with negotiations for business when conditions permit.*)

New Zealand Visitor Will Study Items for Import

A. E. Tarrant, president of the New Zealand Junior Chamber of Commerce, Wellington, N. Z., is now in this country. While the primary purpose of his visit is to attend the Annual Convention of the U. S. Junior Chamber, at Milwaukee, June 25–29, Mr. Tarrant is interested in *advertising, trade publications,* and *general merchandise.*

According to advice from the American Consul at Wellington, he wants to get a first-hand picture of American advertising methods, contact publishers of business papers, and investigate articles suitable for export to New Zealand.

Mr. Tarrant will visit Chicago, Milwaukee, New York, and Minneapolis and can be reached by writing him *c/o* United States Junior Chamber of Commerce, La Salle Hotel, Chicago. He expects to remain in this country through the month of July.

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Railway Equipment: 50.
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Textiles: 1, 2, 4, 11, 19, 21, 24, 30, 33, 36, 41, 42, 56, 59, 61.
Tools: 1, 2, 5, 17.

Foreign Visitors

1. *Argentina*—Bernardo Delfiner of B. Delfiner, S. R. L., Sarmiento 212, Buenos Aires, is interested in the purchase of and representation for *cotton and rayon yarns and fabrics; plastic manufactures; electric supplies; hand tools; hardware;* and *kitchenware.* He is now in this country until July 15. U. S. address: *c/o* Leather Style Co., 39 West Thirty-fourth Street, New York 1, N. Y. Itinerary: New York City and vicinity.

World Trade Directory Report being prepared.

2. *Argentina*—B. Pincus of Pincus y Cia., Alsina 1367, Buenos Aires, is interested in the purchase of and representation for *hand tools; small hardware items; all types of cutlery; flashlight cases; phonograph needles and records; radios; record-players; rubber thread; druggists' rubber sundries; cotton and rayon piece goods; kitchen utensils; crockery; steel pen points; electric irons and toasters.* He is now in this country until September 3. U. S. address: *c/o* United Garment Brokers, 421 Seventh Avenue, New York 1, N. Y.

3. *Australia* — Walter John Beauchamp, representing Adelaide Milk Supply Cooperative, Ltd., 198 Carrington Street, Adelaide, is interested in purchasing *machinery* for his firm. Scheduled to arrive in May, via San Francisco. Length of visit: 3 months. U. S. address: *c/o* Cherry Burrell Corporation, 427 West Randolph Street, Chicago, Ill. Itinerary: Chicago, San Francisco, Cleveland, Los Angeles, Pittsburgh, New York City, and Milwaukee.

4. *Australia*—A. C. Byerley, representing Overells, Pty., Ltd., Brunswick and Wickham

French Firm Seeks Right To Make Home Equipment

A French industrial concern is eager to manufacture under license American *electric household equipment,* such as *washing machines, refrigerators,* and other appliances.

To effect such an arrangement, Paul Roland, director general of the company — Établissements Labbe Frères, S. A., St. Floren-sur-Cher, France—is now in this country. His itinerary includes Chicago, San Francisco, and New York.

As Mr. Roland expects to return to France around July 1, it is important that anyone interested in this manufacturing opportunity should take prompt action. The French industrialist can be reached *c/o* French Commercial Counselor, 595 Madison Avenue, New York. A World Trade Directory Report is being prepared.

Streets, Brisbane, Queensland, is interested in *all soft goods, fabrics, furnishings, furniture, footwear, general accessories*, such as bags, buttons, gloves, etc. Scheduled to arrive: June 30, via New York. Length of visit: 5 weeks. U. S. address: Waldorf-Astoria Hotel, Fiftieth Street and Park Avenue, New York, N. Y. Itinerary: New York City, Chicago, and San Francisco.

5. *Australia*—William Smithwick Dagg, representing Edwin Wood, Pty., Ltd., 15 Equitable Place, Melbourne, Victoria, is interested in purchasing *hardware machinery, machine tools*, and *general hardware*. Scheduled to arrive the end of June for a visit of 3 weeks. U. S. address: % A. V. Berner & Co., 15 Whitehall Street, New York, N. Y. Itinerary: New York City, Hartford, Milwaukee, Chicago, Pittsburgh, and Philadelphia.

World Trade Directory Report being prepared.

6. *Australia*—L. J. Hearn, representing L. J. Hearn & Co., 193 Harrington Lane, Sydney, is interested in contacting American manufacturers of *dextrines* in order to study production methods. He also desires to purchase *office supplies, especially stationery*. Scheduled to arrive: June 1, via San Francisco. Length of visit: 6 months. U. S. address: % Mrs. W. M. Perkins, 514 Bay Road, Redwood City, San Francisco, Calif. Itinerary: San Francisco.

7. *Australia*—Roy Davidson King, representing Pyrox Pty., Ltd., Corner Queensberry and Drummond Streets, Carlton, Melbourne, Victoria, is interested in the manufacture of *spark plugs, water heaters*, and *sound and projection equipment*. Scheduled to arrive during May, via San Francisco, for a stay of 4 or 5 months. U. S. address: % Armour Research Foundation, 8 South Michigan Avenue, Chicago, Ill. Itinerary: Chicago, New York City, San Francisco, and Davenport, Iowa.

World Trade Directory Report being prepared.

8. *Australia*—Kenneth Lipman, Manager, United Sales Co., Atlas Buildings, 8 Spring Street, Sydney, is interested in purchasing *textiles, men's and women's ready-to-wear clothing, women's handbags*, and *jewelry*. His firm also has for export to the United States *wines and spirits, vaseline, lanolin*, and *hand-painted ties*. Scheduled to arrive: June 1, via San Francisco. Length of visit: 2 months. U. S. addreee: *c/o* Australian Trade Commissioner, 630 Fifth Avenue, New York, N. Y. Itinerary: Chicago and New York City.

World Trade Directory Report being prepared.

9. *Australia*—William Milton Spicer of Spicer Shoe Co., Pty., Ltd., 81–89 Queens Parade, Fitzroy, Victoria, is interested in studying the *latest shoe-manufacturing methods*, including various types of machinery used. Scheduled to arrive during June, via New York City, for a stay of 6 months. U. S. address: *c/o* United Shoe Machinery Corporation, 140 Federal Street, Boston, Mass. Itinerary: New York City, Boston, Philadelphia, Washington, D. C., Nashville, Lynchburg, St. Louis, Cincinnati, Columbus, Chicago, and Milwaukee.

10. *Brazil*—Ildefonso De Lima Tricate, president, Norcensul do Brasil, Industria e Comercio, S. A., Rua Evaristo de Veiga, 16–GR. 1301 e 1302, Rio de Janeiro, is interested in purchasing *domestic refrigerators; electric, gas, and kerosene automotive equipment; air-conditioning equipment;* and *all types of industrial and household appliances*. He has available for immediate shipment to the United States *sheepskin, goatskin*, and *various types of wild-animal furs and reptiles native to Brazil*. Mr. Tricate is now in this country for a visit of 1 month or longer. U. S. address: Bellevue-Stratford Hotel, Broad and Walnut Streets, Philadelphia, Pa.

World Trade Directory Report being prepared.

11. *British Guiana*—S. S. Khouri, of S. S. Khouri & Co., Georgetown, is interested in all kinds of *dry goods*. Scheduled to arrive: May 30, via Miami. Length of visit: 3 months. U. S. address: % Mr. Arthur Wagoner, 2720 Foster Avenue, Brooklyn, N. Y. Itinerary: Miami, New York City, Philadelphia, Boston, and Washington, D. C.

World Trade Directory Report being prepared.

12. *Canada*—Bruce Taft, 83 Ellsworth Avenue, Toronto, Ontario, is interested in representations for *men's wear* and *men's jewelry*. He is scheduled to arrive in New York City on June 24 and plans to remain only 3 days, through June 27. U. S. address: Hotel Taft, Seventh Avenue and Fiftieth Street, New York, N. Y. Since his visit is so short, it is suggested that interested concerns, who are unable to contact Mr. Taft in New York, correspond with him at his Canadian address. Itinerary: New York City and Philadelphia.

13. *Colombia*—Jesus Maria Ordonez S., representing Libreria Nacional, Ltda., 20 de Julio con Jesus, Barranquilla, is interested in the purchase of and representation for *office equipment and supplies*. Scheduled to arrive: June 28, via New York. Length of visit: 3 or 4 months. U. S. address: *c/o* National Blank Book Co., Avenue of the Americas, New York 13, N. Y. Itinerary: New York City, Chicago, Philadelphia, Rochester, and Cleveland.

14. *Colombia*—Antonio J. Uribe, representing Drougerías Aliadas, S. A., Calle Co-

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Agricultural Machinery and Materials Needed by Colombia

Colombia's Department of Agriculture is in the market to buy a considerable amount of *agricultural machinery and materials*. The Director of the Department's Ministerio de Economía Nacional, Bogotá, is now in this country, seeking the following:

Maximum number:

500 plows of various types, animal-drawn.
500 sprayers of various types.
250 dusters of various types.
50 seed-disinfecting machines.
50 fertilizer and lime spreaders.
5 delinting machines.
20 rice hullers.
15 machines for mixing insecticides.
5 rice mills with equipment.
200 harrows (spring tooth, disk, etc.).
2 marine launches.
5 river launches.
50 grain drills (animal traction).
50 tons white arsenic (powder).
500 tons potassium sulfate.
100 tons ammonium sulfate.
100 tons calcium arsenate.
20 tons paris green.
30 tons arsenate of lead.
300 tons copper sulfate (dust).

Interested American firms can write Dr. Rafael Barrios, *c/o* Colombian Embassy, Commercial Office, 910 Seventeenth Street, NW., Washington, D. C.

Indian Forestry Official Studies U. S. Techniques

Latest developments in the American and Canadian *lumber and byproducts* industries are sought by T. K. Mirchandani, M. B. E., of India.

Mr. Mirchandani is the Conservator of Forests (Development), Bombay Province, Poona, and is visiting the two countries as an official representative of the Bombay Presidency for the following purposes:

(1) To study the latest developments of sawmilling;

(2) To study the utilization of wood for mechanical pulp, rayon manufacture, and wood sugars; and

(3) To study the TVA development.

He arrived in New York City on June 16 after an inspection tour in Canada. During his 4-months stay in the United States, he will investigate the hardwoods in Tennessee and Wisconsin, as well as the Forest Products Laboratory at Madison, Wis.

Anyone desiring to communicate with Mr. Mirchandani should write him c/o Agent General for India, 2107 Massachusetts Avenue NW., Washington, D. C.

News by COUNTRIES

Argentina

Exchange and Finance

New Laws Affecting Banking System.—By a series of decree-laws and regulations supplementing them, the Argentine Government has in recent weeks effected important modifications in the banking system of the country, the tendency manifested by all the new measures being in the direction of much greater Government control over all banking activities. The most important of these may be summarized as follows:

Decree-law No. 8503 of March 25, 1946, nationalized the Central Bank of the Argentine Republic as of that date. The bank's organic law was amended by the new decree-law to permit the replacement of the former 12-man board of directors, of which only one member was appointed by the National Government, by a board of directors consisting of 13 members, 8 of whom represent Government financial institutions or administrative agencies and 5 represent industry, agriculture, livestock, commerce, and labor, all of whom are to be appointed by the President. The member banks, which before the decree-law became effective held one-half of the Central Bank's outstanding capital stock of 20,000,000 pesos, are to receive in exchange for their shares special 2½ percent Treasury bonds issued for the purpose or the equivalent in cash.

According to the preamble of decree-law 8503 and an official communiqué accompanying it, the nationalization of the Central Bank was necessary in order that monetary policy might be coordinated with the plans of the National Government for the development of the Argentine economy. The delegation to a semiprivate bank of such functions as the issue of currency, the management of gold reserves, and the regulation of the means of payment and of bank credit was deemed inconsistent with the role of the State in the promotion of the economic welfare of the country and with those provisions of the constitution which stipulate that the afore-mentioned functions shall be entrusted to a State bank.

The decree-law nationalizing the Central Bank was followed on April 24, 1946, by a complementary measure, decree-law No. 11,544, which brought all bank deposits under the control of the Central Bank. The National Government now undertakes to guarantee deposits of all kinds by third parties in Argentine banks, and banks must hold such deposits as agents and for the account of the Central Bank, which shall pay the interest due to depositors and compensate the individual banks for the expense involved in maintaining the deposits. The banks may not make use of the deposits without authorization from the Central Bank, although they may continue to use their own capital and reserves in their discount and investment operations and may rediscount their own bills with the Central Bank within limits set by that institution. The rights of depositors to the free use of funds deposited with the banks are not affected by the decree-law.

As a further amplification of the powers of the newly nationalized Central Bank, decree-law No. 12,596, published May 8, 1946, centralized in the bank control of all foreign exchange operations. Prior to the promulgation of this decree-law, the Central Bank had been responsible for a large part of the administration of the exchange control system, but certain functions had been distributed among various Government agencies. Henceforth, the Central Bank will (1) determine how much of the foreign exchange available will be allocated for the payment of imports and how much for other purposes, establishing priorities in the granting of exchange for the importation of essential materials which cannot be produced in Argentina; (2) set up lists indicating the exchange priority to be accorded to individual imported articles and modify such lists whenever necessary; (3) fix rates for the purchase and sale of foreign exchange; and (4) establish and administer such regulations, procedures, and measures of control as the exchange control system may require.

The decree-law centralizing exchange control in the Central Bank abolished at the same time the foreign exchange functions of the Corporación para la Promoción del Intercambio, S. A. (Trade Promotion Corp.), which since 1941 had been authorized to purchase the exchange proceeds of the so-called "irregular" exports and sell such exchange to importers of automotive equipment and agricultural machinery from the United States. The exchange functions and accumulated exchange holdings of the Corporación are now administered by the bank.

The Cover Picture

At Bilbao

A harbor scene at Bilbao, big Spanish port on the Bay of Biscay, forms the subject of our cover picture this week. Bilbao, serving a significant area of the Iberian Peninsula, is of course one of the really important ports of Spain and has a long and notable record in international commerce. The picture may be considered as an illustration for this week's feature article on "Franco Spain in Crisis"—which this magazine regards as a distinctly *revealing* discussion.

Tariffs and Trade Controls

Time Period for Payment of Government Wheat Bonus Extended for 30 Days.—By terms of Executive decrees of May 24, 1946, the Argentine Government has extended for 30 days the period for payment of a 5 peso per 100 kilogram bonus on wheat of the 1945–46 crop, for grade-two wheat on cars at the port of Buenos Aires.

[For original announcement of the bonus, see FOREIGN COMMERCE WEEKLY of May 4, 1946.]

Meat Export Quotas Established for Frigoríficos.—According to an announcement of the Argentine Secretariat of Industry and Commerce, dated April 25, 1946, the Argentine Government has established export quotas for individual frigoríficos on shipments of chilled and frozen meats to the United Kingdom and Europe. In addition, export quotas have been established for canned meats on a provisional basis only.

Restrictions Established on Importation of Solid Fuels; Domestic Solid-Fuel Industry Subsidized.—By terms of decrees No. 11024 and No. 11025, released to the press on April 26, 1946, the Argentine Government has established a system of subsidization of domestic solid fuel production and has imposed restrictions on the importation of solid fuel products. Electric-power plants, industrial plants, and certain railroads, are required to consume during 1946 forest fuels or coal of national production amounting to not less than 50 percent of the quantities consumed during 1945. All railroads within the national jurisdiction must consume among them during 1946 a total of 2,000,000 tons of forest fuels and coal of national production. Solid-fuel importers are permitted to supply power and industrial plants and railroads only when it is assured that the latter are complying with the above regulations.

In addition, importers of solid mineral fuels and briquettes are obliged to acquire locally produced solid mineral fuels in a proportion of 10 percent of the quantity imported. Those importers who purchase national solid mineral fuel in quantities amounting to 20 percent of their imports, are exempt from certain surcharges.

Finally, the Argentine National Power Board is authorized to establish every 6 months import quotas for solid mineral fuels, taking into account national production, consumption, and quality and price of the imported and domestic products.

Duty-Free Entry South of the Forty-second Parallel Accorded Sheep for Slaughter and Reexport.—By terms of decree No. 4721 of February 15, 1946, published in the Boletín Oficial of March 11, 1946, the Argentine Government has declared duty-free the importation of sheep south of the forty-second parallel, which are slaughtered in that zone and reexported within a maximum period of 3 years.

Raw Motion-Picture Film: Government Reserves Preemption Rights on 10 Percent of Imports; Rationing and Price Control Abandoned.—By terms of decree No. 6231 of February 28, 1946, published in the Boletín Oficial of March 16, 1946, the Argentine Government has obliged importers of raw motion-picture film to give priority on up to 10 percent of their imports to orders from Government agencies and to notify the Bureau of Public Performances periodically as to their total imports, to whom sold, in what quantities, and at what prices. The same decree removes imported, raw motion-picture film from rationing and price control.

Export Restrictions Eased on Certain Manufactured Articles.—According to press release No. 352 of April 25, 1946, from the Argentine Secretariat of Commerce and Industry, the Argentine Government has liberalized the export control of certain items manufactured largely of metal. The new regulations provide that the following articles shall be exportable under export permits, which will be granted when the local supply of the component materials is judged to be normal: Lead caps for bottles; lipstick containers; skates of sheet iron with parts of recovered aluminum; crown bottle tops; cast-iron scissors; bathtubs, sinks, and other bathroom accessories; pleasure and racing boats; frames; shaving brushes; discus and javelins; copper phonograph record blanks; plumb bobs of iron and brass; feather dusters; atomizers and vaporizers; barber shop bronze cups; bronze safety razor cases; tin-covered or plain lead tubes.

[For announcement of decree prohibiting exportation of manufactured articles of iron, steel, copper, aluminum, antimony, zinc, chromium, bronze, and tin, see COMMERCE REPORTS of February 10, 1940.]

Government Expropriation of up to 10 Percent of All Newsprint Imports Authorized.—By terms of decree No. 6219 of February 28, 1946, published in the Boletín Oficial of March 11, 1946, and effective March 1, 1946, the Argentine Government has authorized the expropriation of up to 10 percent of all newsprint imports in order to satisfy official requirements and to supply newsprint to those enterprises which have not been able to acquire it through regular commercial channels.

Customs authorities are instructed to clear only 90 percent of each newsprint shipment, the remainder of the shipment to be turned over to the importer only after a decision has been made by the Secretariat of Commerce and Industry as to the amount to be expropriated. Newsprint importers are required to notify the Secretariat of Commerce and Industry of anticipated imports of newsprint at least 5 days before their arrival in port.

Compensation for expropriation will be paid at prices determined by the Secretariat of Industry and Commerce on the basis of duly proved costs, plus an indemnity of not more than 10 percent of the cost price.

Refrigerated Warehouse Construction in Denmark

The American Legation at Copenhagen reports that Denmark's future economy will require the substantial expansion of its cold-storage warehouse facilities. In anticipation of this development the Legation is soliciting information not only on recent developments in cold-storage warehouse design and construction but also on "moisture-proof" thermal insulations.

Literature on either subject should be sent directly to the American Legation, Copenhagen, Denmark, where it will be made available to those individuals and organizations in Denmark directly concerned with this program.

Australia

Tariffs and Trade Controls

Export License Regulations for Numerous Commodities Amended.—The exportation of a number of products from Austrlia to approved destinations is now permitted according to recent orders issued by the Customs and Excise office of the Commonwealth of Australia. The commodities affected are as follows: Copper, zinc, and cassiterite ores and concentrates; magnesium minerals; mica and manufactures thereof; china clay; salt; natural and synthetic dyes; fly sprays; used motion-picture and other photographic film; coir mats and mattings; cane and rattan; cotton twine and blankets made of cotton, silk, or synthetic fibers, separately or in combination.

The published Customs Proclamation which prohibited the exportation of the above-mentioned goods unless the written consent of the Minister of Trade and Customs was first obtained was amended to exclude the above commodities. The production of supply certificates issued under the provisions of the National Security Regulations are no longer required.

Import Restrictions Relaxed on Vegetable Seeds from Nonsterling Areas.—The issuance of licenses to cover the importation from nonsterling sources of the following types of vegetable seeds, namely spinach (not silver beet), asparagus, broccoli, brussels sprouts, cauliflower, celery, kohlrabi, squash, and leek, is now permitted, according to a March 15, 1946, announcement made by the Customs and Excise Office of the Commonwealth of Australia. Evidence of a firm offer for early shipment must be produced before the import licenses are granted. In the case of cauliflower seed, applicants should also present certification from the Vegetable Seeds Com-

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Scandinavian Craftsmen, Technological Students, Coming To United States

200 Norwegian craftsmen to study here

J. M. Osmond, representing the International Training Administration, Inc., disclosed in Oslo recently that between 150 and 200 Norwegian artisans will be invited to the United States this year for technical training in various fields. Although the I. T. A. is a private American organization, its program is being backed both by the U. S. Government and by a number of American industrial firms. Artisans and technicians from all the Allied countries are being invited to participate.

The courses, to be one year in duration, will include practical as well as theoretical instruction in textiles, machine technique, shipbuilding, refrigeration, auto maintenance, farm machinery, and office machines, as well as courses in marketing and distribution. It is reported that special attention will be given to training in maintenance, assembly, servicing, and installation.

Norwegian applicants passing the educational and language qualifications will receive free instruction in various industrial plants throughout the United States, but will be required to pay their travel and certain incidental expenses and to return to their homelands after one year's study. Financial assistance from the Norwegian firms they represent as well as a special reduction of fares to and from Norway is expected to ease the financial burden on the students themselves. A special committee has been named in Norway to aid in making the necessary arrangements.

A bus tour of the eastern, middle-western, and southern parts of the United States is planned by a group of 35 *Swedish* civil-engineering students from the Royal Institute of Technology in Stockholm. Led by Georg Väst-lund, professor at the Institute, and S. O. Asplund, a construction engineer, the group will arrive here on the M. S. *Gripsholm* on July 1. Professor Ragnar Woxen, president of the Institute, is himself expected to visit the United States sometime in August. During their stay the students will observe the construction of dams, bridges, airfields, waterworks, sewage-disposal plants, and other engineering projects. Since they will travel in a specially chartered bus, it has been possible to keep the cost of transportation for each participant as low as $50, although the tour will cover almost 2,900 miles. The itinerary follows: New York, July 1–6; Marblehead, Mass., July 7; Boston, Mass., July 8–9; Troy, N. Y., July 10; Niagara Falls, N. Y., July 11–12; Ann Arbor, Mich., July 13; Chicago, Ill., July 14–16; Louisville, Ky., July 17; Knoxville, Tenn., July 18–20; Huntington, W. Va., July 21; Pittsburgh, Pa., July 22–24; Washington, D. C., July 25; New York, July 26. The following day the party returns to Sweden on the S. S. *Drottningholm* of the Swedish-American Line.

Such trips as these will inevitably have an appreciable, if indirect, effect on future U. S. foreign commerce.

mittee that the variety for which application is made is not available in Australia in sufficient quantities to meet requirements.

Previously, the above seeds were placed under "Administrative Control," and applications for import licenses were considered on their individual merit by the Department of Trade and Customs at Canberra, Australia.

Import Controls on Certain Products from Nonsterling Countries Liberalized.—The Australian Government has recently relaxed the import restrictions on strawboard, straw paper, plants, trees, and bulbs, including cut flowers, and on piece goods such as velvets, velveteens, plushes, and similar imitation fur cloth fabrics. The above-mentioned commodities are now under "Administrative Control," where, instead of quota restrictions, the applications for import licenses are dealt with individually on their merits by the appropriate Australian customs authorities.

Formerly, these items from nonsterling origin were identified in the Schedule of Categories of the Australian Customs Import Licensing Regulations with "N. L.," indicating that no licenses were being granted for imports of such goods from all non-Empire countries, including the United States, and from Canada, Newfoundland, and Hong Kong.

Transport and Communication

Plan to Improve Airport at Sydney.—A plan approved by the Federal Cabinet of Australia to improve the facilities at Mascot Airport, Sydney, involves the expenditure of £A5,000,000 over a 5-year period. The first stage of the plan includes the construction of 1 runway 8,000 feet long, with an overrun of 1,000 feet at one end and 500 feet at the other; 3 runways of 6,200 feet, 5,600 feet, and 5,000 feet, respectively, all with overruns of several hundred feet at each end; the deviation of Cook's River; and the construction of modern terminal and administration buildings. Other stages of the plan include the extension and duplication of runways, and further improvements, estimated to cost an additional £A6,000,000.

Brazil

Tariffs and Trade Controls

Milk: Duty-Free Importation Permitted for 6 Months.—Effective June 3, 1946, milk in powder, tablets, or other state, with or without sugar, was exempted from import duty and other customs charges for a period of 6 months, by Brazilian decree-law No. 9313.

Bulgaria

Tariffs and Trade Controls

Trade Agreement Signed With Poland.—A trade agreement between Bulgaria and Poland was signed in Warsaw on April 29, 1946, according to the Polish press, as reported in a cable from the American Embassy in Warsaw of May 2, 1946.

Although the text of the agreement was not published, the Polish Minister of Foreign Trade is reported to have stated that Poland will now receive Bulgarian tobacco and other products formerly imported by Germany.

Canada

Airgram From U. S. Embassy at Ottawa

Economic conditions in Canada during May were featured by growing labor difficulties, including direct and indirect effects of strikes in the United States and spreading unrest in Canada. Outstanding developments in the Dominion included the strike of approximately 37,000 lumber workers in British Columbia in which both union security and wages and hours were concerned, and the Seamen's

Union strike called toward the end of the month, in which the principal question at issue was the establishment of an 8-hour day. Prospective strikes in other industries added to the uncertainty of the industrial outlook.

Except for the delays attributed to labor difficulties and material shortages, industrial production of peacetime goods continued to progress, the unemployment situation was officially stated to show further improvement, and agricultural conditions throughout the country were on the whole reported as reasonably satisfactory.

Additional progress was made in price adjustments and in the elimination or reduction of wartime subsidies. Among the principal price increases authorized were those on boys' and men's clothing, ranging from 5½ to 9 percent in retail prices, effective June 1, to compensate the elimination or reduction of subsidies on wool and cotton and the increased labor costs; an increase in the price of fluid milk, 2 cents a quart, because of the elimination of producers' and consumers' subsidies; and increases of 7 to 13 percent in the consumer prices of all types of household furniture, to compensate higher manufacturing costs and to encourage the production of low-priced lines. As in some other recent instances the authorization for higher furniture prices was accompanied by an order reducing retailers' mark-ups. The temporary raising of wholesale price ceilings on top grades of beef was followed by the reported resumption of a near normal flow of cattle to markets across the Dominion, and gave promise of considerably easing the meat-supply situation, although there were widespread protests from retailers.

The official cost-of-living index (1935–39=100) rose from 120.1 in March to 120.8 in April. In April 1945 the index was 118.7.

Productive operations in April registered a further increase over those in the preceding month, according to a report of the Dominion Bureau of Statistics, and the index of the physical volume of business rose slightly, according to preliminary calculations. An outstanding feature was the sharp increase in new business obtained by the construction industry—from $57,600,000 in March to $75,900,000 in April.

The production of passenger automobiles is slowly increasing, despite material shortages—19,215 cars were produced during the first 4 months of the year, of which 9,863 were produced in April. The output of all cars and trucks totaled 42,182 in the first 4 months, of which 18,590 were for export, and actual exports totaled 16,066 units. The restricted output resulted in temporarily suspending the issue of purchase priorities.

Foreign trade followed a pattern similar to that of the immediately preceding months, with a substantial decrease in the total attributed to the practical disappearance of trade in war materials. There was, however, a substantial increase in the trade in peacetime commodities. Domestic merchandise exports in April were valued at $178,488,000, almost exactly the same as in March but with sharp reductions—as compared with the preceding year—recorded in shipments to the United States, United Kingdom, British India, and the U. S. S. R. Exports to most Latin American and European countries, however, continued at a substantially higher level than a year ago. Wheat and wheat-flour exports remained at a high level, and increases were also recorded in newsprint, wood pulp, and lumber. Major declines were reported in exports of meat and eggs, and also in the shipments of iron and steel products owing mainly to lower exports of automobiles and parts.

Farm cash income in 1945 declined by 7.7 percent from that in the preceding year, according to a report issued by the Dominion Bureau of Statistics during the month. Total farm sales amounted to $1,685,800,000, as compared with $1,826,500,000 in 1944 which was a record high figure. Most of the 1945 decrease was attributed to smaller marketings of wheat, barley, and hogs in the Prairie Provinces. On the other hand, total farm incomes were higher in all areas except the Prairies and Nova Scotia, owing to larger sales of eggs, poultry, meat, oats, tobacco, and cattle.

Business failures continued at a slightly higher rate than in 1945, otherwise credit and collection conditions were reported unchanged—good to excellent. (Dollars are Canadian dollars, valued at 90.90 U. S. cents, the selling rate for "official" exchange.)

Chile

Airgram From U. S. Embassy at Santiago

General trade in Chile continues to be characterized by rising prices and satisfactory sales volume in those products which are available in the market. Larger retail establishments report a serious depletion of stocks, with many imported commodities practically nonexistent and some domestic lines below the level of demand.

Domestic manufacturing continues at about the same level as that of the preceding month, although two of the largest producers of cotton piece goods have informed the Government that they are shutting down owing to a shortage of imported cotton yarns and inability to obtain yarns from domestic spinning plants. The only producer of

Foreign Countries Acquire Locomotives From War Assets Administration

Sale of 18 narrow-gage locomotives to the Siamese Government and 4 to the Brazilian Government was announced last week by the War Assets Administration. The sale brought to 58 the total number of locomotives sold for export. Previous sales of 10, 6, and 20 were made to the French Colonial Mission, French North African Mission, and the United Fruit Co. respectively.

The 58 locomotives, which have a reported cost to the U. S. Government of $2,958,000, were sold for $1,044,000.

The Siamese Government, it was indicated, was in urgent need of this equipment to help haul the huge quantity of rice produced in that country, most of which is exported.

The Brazilian Government indicated that the locomotives were purchased to equip the Estrada de Ferro de Nazare, State of Bahia, for hauling of manganese ore and cacao. Brazilian representatives said that the equipment would improve transportation conditions in that region 15 to 20 percent.

The locomotives, originally built for use by the military forces of the United States in Japan, were converted from meter gage to 42-inch gage for use in the Philippines. Hostilities in the Pacific ended, however, before these locomotives were shipped from the United States. For the past 2 years the equipment has been stored near Barstow, Calif.

The locomotives were found to be too narrow for use in the United States, the American standard rail gage being 56½ inches. If not sold for foreign operation, these locomotives would have to be broken up for scrap.

rayon continuous filament yarns has announced that additional production facilities will be in operation in July, and another large textile manufacturer has contracted with an American firm for the installation of a large rayon plant.

Although there has been improvement recently in the availability of hardware, tires and tubes, cutlery, light mechanical tools, electric stoves, flatirons, abrasives, and aluminum, the shortage of other items, such as machinery, agricultural implements, tin plate, black iron sheets, nail wire, crude and synthetic wire, and refrigerators, continues to be acute. European manufacturers of machinery and allied lines, hardware, and some other products are making better deliveries than American suppliers. Some orders placed in the United States have been canceled because of price increases and in the hope of obtaining better deliveries and firm prices from European sources.

By an internal decree, the Ministry of Economy and Commerce has stopped imports of oil burners in hope of reducing fuel-oil imports and thereby saving exchange.

Allocations of exchange for some items have been reduced by the exchange-control authority to a point where shipping and other expenses do not justify importation.

The Vice-President's message at the opening of Congress on May 21, contained several points of economic interest including: (a) The Government's plan to require that all official developmental projects be harmonized with the program of the Fomento Corporation; (b) a plan to adjust prices of drugs, standardize manufacture of comparable pharmaceuticals and replace imported medicinals with national products; (c) a recommendation that Congress act promptly on pending legislative bills authorizing Chile's participation in UNRRA, providing for the elimination of duties on machinery for new industries and plant enlargement, and imposing an additional 60-centavo-per-liter tax on gasoline to produce funds for roads and airports.

The Vice-President also announced that the Government will introduce legislation to improve State railways by expenditures of $87,000,000 (United States currency), to coordinate all farm institutions with the Ministry of Agriculture, and to provide funds for agricultural development and forestry work.

Recent widespread rains have caused a generally favorable early season outlook for fall-sown crops such as wheat and peas. Final official estimate places 1945–46 rice crops at 117,941 metric tons (rough). Final official estimate of 1945–46 sunflower-seed crop is 16,692 metric tons (40.5 percent below the preceding year); flax fiber, 1,365 metric tons (1 percent decrease); hemp fiber, 5,369 metric tons (11.3 percent decrease); flaxseed, 3,837 metric tons (10.1 percent increase); hempseed, 4,904 metric tons (1.1 percent increase).

A strike began at Chiquicamata copper mine on May 26 when company and unions failed to reach agreement on wages and other issues in renewal of collective-bargaining agreement, and it is still in progress. Returns in elections in large coal and copper unions held recently indicate Communists have retained control.

Copper production is up noticeably as a result of increase in price of foreign copper. Nitrate production continues high, despite several minor labor disputes. One of the large copper companies continues blocking out copper ore in its new property on the extension of the Punitaqui vein in sufficient quantity to warrant the installation of a 300-ton-per-day concentrating plant and amortization of the venture.

The Finance Ministry only reduced the previously anticipated 1945 deficit from 250,000,000 pesos to 210,000,000 pesos. Expenditures were estimated for 1946 at 1,129,000,000 pesos above 1945, the largest item of which is an increase of 745,000,000 pesos in salaries of public employees. Statistics from the Superintendent of Corporations show a net increase in 1945 of 1,905,000,000 pesos in capital of new and existing corporations after allowing for corporations which were dissolved. New companies formed totaled 60, capitalized at 1,317,000,000 pesos.

A Cabinet committee is reported to have drafted a bill to finance a Government immigration project. The bill will be financed by 600,000,000 pesos of 6 percent internal debt bonds to be issued at the rate of 200,000,000 per year from effective date of enabling legislation which presumably will be sought from Congress. The Central Bank's balance sheet for May 21 showed total sight liabilities at 3,800,000,000 pesos of which 2,900,000,000 was currency in circulation; total gold and foreign exchange stood at $95,800,000 (United States currency), $11,800,000 less than April 2, the reduction being occasioned principally by sugar imports at advanced prices. The amount of the Government's tax participation in any copper-price increase is 50 percent—not 72.5 percent, as stated in the last monthly airgram. The higher figure prevailed only temporarily, at inception of the law.

Representatives of Chile and the Soviet Union have been studying details of future trade between the two countries. Metals and machinery from the Soviet Union and copper and nitrates from Chile are among products discussed.

New OPA Actions on Copra, Coconut Oil, and Babassu Oil

The Office of Price Administration recently established maximum import ceilings on Philippine Island copra and crude coconut oil—used in the manufacture of soap and cattle feed—and raised domestic ceilings on Brazilian babassú oil, also used in soap. This action was effective June 11, 1946.

The prices for copra and crude coconut oil remain the same as those maintained by the Commodity Credit Corporation which has been buying these products from the Philippines for domestic crushers and is turning the importation of these products back into private hands.

The prices for Philippine Island copra and crude coconut oil are: Copra—$109.50 per short ton (2,000 pounds) c. i. f. (Contract, Insurance, Freight) Pacific Coast Ports; and $114.75 per short ton c. i. f. Gulf or Atlantic Coast ports. Crude coconut oil—8 cents per pound c i. f. Pacific ports; and $8\frac{35}{100}$ cents per pound c. i. f. Atlantic Coast ports.

The new ceilings are established to prevent prices from being bid up to a point where they would create pressures against the domestic ceilings of the copra products—namely, coconut oil and copra meal (a cattle feed).

OPA has raised domestic ceilings on Brazilian babassú oil from $11\frac{1}{10}$ cents a pound to 12 cents a pound. This new higher ceiling follows negotiations between the United States and Brazil to maintain the agreement held between the two countries in the past. The agreement came up for renewal on June 1.

Under the terms of the new agreement, this country has agreed to pay Brazilian exporters of babassú kernels $16.50 more per metric ton (2,204.6 pounds), or an increase to $143, as compared with the former $126.50.

However, OPA said, crushers will not be affected by this move, since the increase of $\frac{9}{10}$ cents a pound in babassú oil and a recent increase in babassú meal of $10 a ton will be sufficient to compensate for it.

Coconut oil is a major basic raw material in such industrial products as acids, chemicals, and soap. It is a high-lauric-acid-content (lather-producer) oil, as is babassú oil, and is particularly desirable in the manufacture of soap.

OPA says that no change is expected in retail prices of soap as a result of the babassú-oil increase, since its use in soap manufacture is small compared with the amount of coconut oil employed.

Press reports concern new Argentine plans to install a Santiago branch of Argentine National Bank; to establish air service for transporting cattle from Argentine estancias direct to Chilean cities; and to improve rail and highway facilities between the two countries.

Fomento Corporación announces that second exploratory oil well drilled in Magallanes (Spring Hill area) 800 meters from discovery well has been abandoned as dry hole. Next location will be 400 meters southwest of first well, and satisfactory results are anticipated in this location.

The new president of the Empresa Nacional de Transportes (National Transport Co.) stressed the need for new transportation equipment and stated that an important Argentine firm would have charge of constructing the contemplated Santiago subway.

The Chilean National Air Line (LAN) delegation to Argentina signed a reciprocal services agreement with the Flota Aérea Mercante Argentina (FAMA), and arranged for permission to fly over and land in Argentina for a period of 180 days in LAN's schedule to Punta Arenas and temporary permission to operate commercially into Buenos Aires. LAN has received two more surplus C–47 and one surplus C–45 transports from the United States. A LAN delegation is now in Lima discussing possibilities of reciprocal operation between Lima and Santiago and may proceed to Bolivia and Ecuador for a similar purpose.

Tariffs and Trade Controls

Gasoline-Alcohol Mixture: Required Proportions Modified.—Regulations requiring the addition of alcohol to gasoline in Chile have been extended until June 30, 1946, and the proportion modified slightly by decree No. 3721 of the Chilean Ministry of Finance of April 10, 1946, published in the Diario Oficial of May 3, 1946. The decree provides that the addition of alcohol to gasoline is to be effected in the proportion of from 2 to 25 percent instead of the previous variance between 6 and 25 percent.

[See COMMERCE REPORTS of November 30, 1931, for establishment of the law requiring addition of alcohol to gasoline.]

Is "Paradropping" the Way To Supply Isolated Areas? "Operation Musk Ox" Seems To Answer "Yes"

With the job of supplying the Canadian Air Force's "Operation Musk Ox" in subarctic wilderness completed, "paradropping" of supplies is pronounced by its leaders to be the answer to northern isolation, according to the periodical Canadian Aviation.

A variety of items were dropped by parachute in the operation, and it was estimated that by the time it reached its final goal, Edmonton, some 345,000 pounds of air supply had been provided.

Most of the fuel for the caches dotting the 3,000-mile route was dropped in 40-gallon, 400-pound drums painted bright red for contrast against the snow—two 28-foot chutes were used for each gas drum.

The heaviest single item dropped was a "snowmobile" engine weighing 1,300 pounds; it was lowered with four 28-foot parachutes. With present technique the experts believe that 1,500 pounds is the maximum single item load that can be "paradropped" successfully.

Experience has taught (says the Canadian publication above cited) that proper packing and harnessing of the cargo are top essentials. Fresh eggs were dropped without even cracking a shell—beer and rum without losing an ounce. Fresh and pack rations, frozen doughnuts, mail, cigarettes, spare parts for snowmobiles, photographic equipment, oil, kerosene, naphtha, sled runners, complete sleds and an engine were delivered to Operation Musk Ox by parachute.

The air supply crews are particularly proud of the speed and accuracy with which they are able to dump big loads onto remote pinpoints in the wilderness. They credit these achievements to accurate navigation, skilful flying, and the use of an ingenious conveyor-belt system of ejecting the loads from aircraft.

The Perry River drop is described by Canadian Aviation as being probably the most outstanding single exploit. This trading post at the estuary of Perry River and the Arctic Ocean is no more than a chip on the featureless expanse of the Barrens. It was the dropping point for an important fuel and supply cache which had to be delivered by air from bases nearly 800 miles away. The squadron leader first laid out a target "T" on the snow, having flown there ahead of the six loaded aircraft which took off from bases at Churchill and Norman Wells for the flight over terrain as bereft of salient points as an ocean. Navigating by astro compass and directional gyro (magnetic compasses were useless in the neighborhood of the magnetic North Pole) the aircraft aimed at Perry River. All loads were dropped on the target within the same hour (38,000 pounds were lowered to the cache), and all the aircraft return to base according to plan.

Supply by parachute had been employed intermittently and on a limited scale in the north before the war. During the war, the technique was advanced in the resupply of paratroops dropped into battle. Then paradropping was listed as one of the numerous experiments to be associated with Operation Musk Ox. The experience gained in this latest experiment seems to have extended the horizon of northern flying with the introduction of parachute express.

China

Economic Conditions

Although large relief supplies of foodstuffs are being delivered in Shanghai and other coastal cities, only a small percentage of the shipments received is reported to be reaching the areas where severe famine is said to prevail. While it is reported that a large proportion of the population in 19 Provinces is close to starvation, the most seriously affected area is Hunan Province—normally one of China's richest areas—where it is estimated that several million people have been reduced to eating grass, roots, and tree bark.

By the end of the first week in April, more than 250,000 long tons of food supplies had been received by UNRRA representatives in China and turned over to the Chinese National Relief and Rehabilitation Administration for distribution. Supplies, however, have been held up in Shanghai and the other coastal cities. While crippled transportation facilities are accountable in some measure for this bottleneck, it is reported also that relief supplies are finding their way in considerable quantities to the black market where they bring fabulous prices.

Under the impulse of speculative trading, stimulated by the general knowledge of critical food shortages in the interior, continued inadequacy of transportation, and reports that rice shipments from the producing areas have been banned, prices of foodstuffs have soared in Shanghai and other points where relative abundance exists. In Shanghai the price of rice jumped to a new peak of CN$68,000 per 172 pounds on May 18, 1946, but receded to CN$60,000 on May 20. Previous prices for rice earlier in the year had been CN$9,850 in mid-January, CN$25,000 at the end of February, and CN$32,500 at the end of March. The rise in rice prices was accompanied by somewhat smaller increases in prices of other staples such as flour, cooking oil, and bread, as well as meats and eggs. The situation has been one to encourage hoarding of food stocks as a hedge against continued inflation of the note issue, caused in large measure by mounting military expenditures.

INDUSTRIAL ACTIVITY IN SHANGHAI

While some slight increase has been made in factory production in Shanghai, resumption of industrial production continues to be fraught with difficulties and there is little hope that activities can

be accelerated in the near future. The index of electric-power consumption (based on average monthly consumption for 1940) advanced from 5.2 percent in September 1945 to 40.3 percent in March 1946 and to an estimated 50 percent in April.

Rising cost of direct labor and raw materials has increased production costs to such an extent that demand for locally manufactured products is secondary in some instances to that for imported goods. As an example of the increased cost of production, electric motors in the 1- to 10-horsepower range were produced by one firm before the war at about US$30 per horsepower, whereas they now cost nearly US$100.

Local small steel fabricating plants, such as forging shops, malleable iron foundries, rolling mills, and wire and nail factories, are operating at a low level or are closed. Machinery and machine-tool industries are working on a restricted basis because of a shortage of forgings, bearings, and components, as well as because of the uncertain outlook.

A large electric light bulb plant cannot operate inasmuch as its machinery was partially removed by the Japanese and has not been recovered or replaced. The remaining equipment will require extensive repairs, and essential parts must be imported. The building needs major renovations, which cannot be undertaken for some time because of the prohibitive labor costs and lack of building materials. For example, one galvanized iron sheet, standard size, costs US$20.

Stocks Dwindling

In large measure, Shanghai industry has thus far been using wartime stock accumulations left by the Japanese. When present stocks are exhausted, the raw materials situation may become more acute, since, obviously, new supplies cannot be expected at an early date.

Labor costs have now become a major item in manufacturing costs, a factor not present in the prewar era. Some local industrialists have expressed the opinion that these costs will not revert to anything like prewar levels, even when the economy of the country becomes stabilized on a more nearly normal basis. Whether these increased labor costs will lead to the development of mass-production methods in China, and eventually form the basis for an expanding domestic market, is problematical.

Many other factors besides rising production costs are still working against resumption of activity by many industrial plants. The business community as yet is uncertain as to the disposition of Government-administered alien and puppet industrial facilities, and uncertain as to future taxes and the heights to which rents on industrial properties may rise. The scarcity of industrial space alone may prevent development of new enterprises until adequate supplies of building materials become available, something not now in sight.

It appears in the immediate outlook that the universal shortage of goods and the components of production which enable producers to reap enormous profits on their limited output will tend to influence diversion of capital from new enterprise into speculative channels. Many industries, however, are placing orders on the basis of optimism in the long-range view, but deliveries of new equipment to China may be long delayed because of the large backlog of world demand.

Little Construction Activity

Because almost all building materials are scarce, labor costly, and inflation unchecked, little construction is in evidence in Shanghai, except for urgently required repair work. Some wharf repairs have been made, but port facilities have not been fully restored. Plans for repairing breaks in the Whangpoo sea walls have been announced, but it is doubtful that the work will be completed before the expected floods. Streets and highways are in bad condition, as a result of having been neglected for nearly 10 years. Not built originally to stand heavy traffic, street foundations in Shanghai have broken down under the load of heavy busses and trucks used during the war. Drainage and sewage systems are also in bad condition.

Shortages of houses, apartments, and hotel rooms continue acute, and exorbitant key-money demands continue to be common. Persons arriving in Shanghai from the interior and from abroad cannot be given normal accommodations, and in many cases from three to five people must share one room. Under the present outlook, there are no plans for new hotel construction, and it is doubtful that heating facilities, which were removed from many building by the Japanese, can be reinstalled before cold weather.

Large Hospital Projected for Costa Rica

Plans and specifications for a $1,500,000 hospital are currently being developed in Costa Rica. American contractors experienced in hospital construction as well as manufacturers of materials and equipment especially intended for use in hospitals should promptly contact the Banco de Seguros in San Jose to request further details or to offer their products for possible incorporation in the projected facility.

Any further details that may come to hand will be reported promptly in Foreign Commerce Weekly.

Tariffs and Trade Controls

Prohibited Goods Shipped Before March 1, 1946, Permitted To Enter Under Certain Conditions.—Customs Notification No. 54, issued by the Shanghai Customs, stated that articles prohibited importation under the recent trade-control regulations might be permitted entry, provided: (1) the goods, although arriving after March 31, 1946, had been shipped before March 1, 1946; (2) the articles were purchased *bona fide* before March 1, 1946, and the purchasers have filed letters with the Import Licensing Department or with one of the customhouses; and (3) documentary evidence can be produced certifying that the goods were shipped from abroad before March 1, 1946. If entry is permitted, the importers of the goods must pay a special surtax of 200 percent of the duty-paying value of the goods; this surtax is additional to the normal customs duties.

Commercial Laws Digests

Registration in China of Foreign Insurance Companies.—Regulations for the Registration in China of Foreign Insurance Companies were issued by the Chinese Ministry of Finance on March 31, 1946, and were published in Foreign Commerce Weekly, April 20, 1946, page 15.

A telegram just received from the American Embassy at Nanking states that it has been informed by the Division of Currency, Chinese Ministry of Finance, that in effecting registration under the Regulations for the Registration of Foreign Insurance Companies no special forms are required.

Registration is effected by complying with pertinent provisions of: (1) Measures for the Control of Insurance Enterprises During Wartime, promulgated and effective December 25, 1943; and (2) Detailed Rules for the Enforcement of

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Measures for the Control of Insurance Enterprises During Wartime, promulgated and effective May 8, 1944.

It was stated that pending enforcement of the Insurance Law, promulgated January 1937, the foregoing measures and rules continue to be in force and apply to foreign companies.

The "Measures" provides that insurance companies shall complete registration in accordance with the requirements of the Company Law—which requirements were discused in FOREIGN COMMERCE WEEKLY, June 8, 1946—and additionally, shall submit to the Ministry of Finance an application for registration and the issuance of a business license, which shall contain the following particulars:

Copy of articles of incorporation;
Statement of operating program;
Basic provisions of insurance contracts to be written;
Basis for the calculation of insurance premiums and liability reserve fund;
Capital (paid-up shares and premium income) and method or manner of its investment or employment.

The "Detailed Rules" provides that in making an application for registration (to the Ministry of Finance) the applicant shall submit the following documents, in addition to those provided for in the "Measures":

A list containing the name, address, and nativity of each contributor to the capital;
The amount of paid-up and unpaid capital of each contributor;
A statement giving the names, addresses, and nativity of the officers of the company;
A "guarantee" (as to reputation and lawful organization) issued by the Association of Insurance Enterprises (in China) or the "local" chamber of commerce;
A copy of the minutes of the first meeting, or a record of the resolutions passed in the meeting for the "establishment of the enterprise"—that is, resolutions authorizing the submission of an application for registration;
A report by the supervisors or inspectors;
The registration fee;
The license fee.

In the case of Chinese insurance companies, and possibly in the case of foreign insurance companies, the registration fee is based on the total capital of the company. It amounts to Chinese Dollars one thousand on each CN$5,000,000 or fraction thereof. The license fee is CN$50.

It is also provided that policies of insurance shall be written in the Chinese language, but "if another language is used in addition to the Chinese language, the Chinese version of the policy shall be deemed official in case any doubt arises as to its legal interpretation."

The above legislation is stated in the "Measures" to apply to the business of life insurance or "casualty" insurance. The "Detailed Rules" refers to "all classes of casualty insurance" as embracing fire insurance, marine and transportation insurance, ship insurance, and "other insurance."

Colombia

Airgram From U. S. Embassy at Bogota

The Presidential election, held on May 5, resulted in the selection of Dr. Mariano Ospina Pérez, the Conservative candidate, and brought a change in party government for the first time in 16 years. The election was a model of democratic orderliness and the subsequent effect on business was indicated by higher quotations on the Bogota Stock Exchange and a record monthly volume of transactions.

The general economic situation of the country continued during May to be fairly good. Production of gold during the first 5 months of 1946 was approximately 15 percent less than the amount mined during the corresponding period of 1945, but production of petroleum increased substantially to 7,638,000 barrels, compared with 6,676,000 barrels for the corresponding period last year. Building construction is booming almost everywhere in Colombia—the total value of construction undertaken this year in Bogota—has reached 17,655,000 pesos (the Colombian peso is equivalent to approximately $0.57 U. S. currency), compared with 6,156,000 for the corresponding period of 1945.

A number of different currents of thought have been developing in Colombia as to where, and in what degree, governmental controls should be exercised during the local reconversion process. One measure in the past, when unfavorable balances of exchanges have occurred as the result of an increasing volume of purchases of merchandise abroad, was for exchange authorities to take steps to produce more foreign exchange, or to restrict the issuance of import licenses. An addition measure of this character was adopted recently by the reduction to 6 months of the period of validity of import licenses, instead of the previous period of 1 year. The purpose of this regulation is to cancel licenses that will not be used actually and to renew only those covered by legitimate, accepted orders in the process of being filled. This will free exchange commitments for the increasing number of applicants for new import licenses, who have been faced recently with lengthening delays.

On the other hand, business leaders are pressing for the adoption of official measures to counteract the expansion of currency and deposit. The one proposed most frequently has been to release the controls on exchange and to encourage purchases of foreign merchandise, thus deflating the local state of capital inflation. Almost all of the principal chambers of commerce of the country have declared themselves recently as favoring the latter steps.

There is a third transportation-conscious group which has called attention to the already congested ports in Colombia, the delays in getting shipments to the interior, and to the increasing amount of pilferage and damaged shipments. This group maintains that the Government has issued too many import licenses and that in the future the volume of approved licenses should be better gaged to the capacity of the country's transportation system.

The condition of national finances was called to public attention recently after statements had been published by the Comptroller General and the Minister of Finance calling for urgent remedial measures. The annual national budget has been increasing over the past several years, and although revenues also have been rising, deficits have been substantial. The deficit for 1945 is 17,000,000 pesos, and for the first months of the current year, 18,000,000 pesos, making a total of 35,000,000 pesos. Moreover, in the budget for 1946 revenues totaling approximately 21,000,000 pesos were raised by special means which will not apply in 1947. As preparations are being made for submission of the budget bill for 1947 to the next session of the Congress, the Minister of Finance announced the necessity of introducing a combined program of drastic reduction in National expenditures, new taxes, and credit operations. The Minister proposed the following new taxes: (1) An increase in the taxes on major lot-

Bids for Costa Rican Municipal Power Plant To Be Invited

Bids for the construction of a municipal electric power plant will shortly be called for by the Costa Rican city of Heredia. Adequate funds to finance this development are reported available from the sale last year of "Heredia Electrification Bonds."

As additional details become available they will be announced in these pages. In the meantime interested American construction firms and manufacturers of equipment required in such a plant should contact the Municipality of Heredia, Costa Rica.

tery prizes; (2) a direct tax on occasional profits arising from the sale, transfer, or exchange of real estate, not covered in present income taxes; (3) the taxing of stock dividends under the income tax; and (4) the increase of customs duties on certain articles not of prime necessity and not included in existing trade treaties.

The recently renewed efforts at price control were hampered by difficulties in the formation of local boards and by noncompliance of many intermediaries and speculators. Prices of a few foodstuffs of prime necessity decreased during May, bringing the average index down somewhat, but prices of rent, fuel, and clothing continued to increase. The labor situation was unusually quiet after the election.

Transportation difficulties have multiplied recently, as the volume of import merchandise has increased. A state of acute congestion was reported at Buenaventura, which was relieved slightly by the opening of the highway between that port and Cali. However, the highway is of recent construction and is not hard-surfaced; therefore, it is subject to frequent landslides and is not yet capable of accommodating much traffic. The port of Barranquilla suffered some congestion, and bottlenecks developed at ports on the upper Magdalena River. Cartagena was entirely free of congestion, so much so that the Cartagena Chamber of Commerce requested a greater deviation of import cargo through that port. As a result of the recent Magdalena River arbitration decision which increased wages of river workers, the Government granted provisional increases in river freight rates.

The Director of the Government-owned railways issued a report on the status of the various railway-construction projects in Colombia. The occidental line, which is to be constructed from Cartagena to the Ecuadoran border, was divided into sections in charge of different engineers who are making preliminary studies. The railway link to connect Armenia with Ibague was reported also to be under study by railway engineers. Work has been started on the connection between Barbosa and Bucaramanga, and studies were initiated on the extension of the railway from Neiva to Garzon.

Considerable activity has occurred recently in connection with electric-power plants or projects. In Cali, an agreement was signed between the municipality and the Colombian Electric Co. (Cía. Colombiana de Electricidad) for the revaluation of the latter's properties by arbiters and the sale of these properties if the price can be agreed upon. The agreement includes an obligation on the part of the company to increase power output at its Nima plant in Palmira and to supply power from there to Cali at stated costs.

The Municipality of Cali will continue with its plans to install an additional independent Diesel unit in the city and to build a new and permanent hydroelectric plant at Anchicaya. In the Department of Cundinamarca, contracts were signed for technical studies of several prospective power sites, while in the National Government there was talk of proposing to the next session of the Congress the formation of a national electric-power institute to be charged with the study and construction of plants in which the National Government may be interested.

Details were published recently of a new petroleum contract which is pending between the Colombian Government and a group of United States oil capitalists involving the purchase of Government-royalty oil and the installation of refineries for this oil.

The coffee market developed a strong bullish tendency recently, based on the expectation of an early increase or removal of OPA ceilings. Local prices were reported at as much as $2.50 per bag of 70 kilograms over the equivalents of ceilings plus subsidies. The prevailing optimism in coffee circles was given also as one of the reasons for the extraordinary activity on the Bogota Stock Exchange.

Cuba

Tariffs and Trade Controls

Canned Milk: Additional 250,000 Cases (48 Cans Each) to be Admitted at Reduced Rate of Duty.—In accordance with decree No. 1109 of May 15, 1946, 250,000 cases (48 cans each) of canned milk, evaporated or condensed, may be imported into Cuba from the United States at the reduced rate of duty established by decree No. 3370 of October 31, 1945. The rate established by that decree is $0.48 per case. Merchants who desire to import the milk under the special rate must present an application for approval of the Cuban Ministry of Commerce.

[For announcement of decree No. 3370 see FOREIGN COMMERCE WEEKLY of December 22, 1945. The promulgation of decree No. 1109 makes a total of 620,000 cases of milk permitted importation under the reduced rate.]

Eggs: Duty-Free Entry of 30,000 Cases Permitted.—Under the provisions of decree No. 681, published in the Official Gazette of April 8, 1946, 30,000 cases of eggs (30 dozen eggs per case) may be imported into Cuba free of import duties, consular fees, and all taxes, effective until December 31, 1946. Importers in Cuba must obtain permits for the duty-free importation from the Cuban Ministry of Commerce.

Czechoslovakia

Tariffs and Trade Controls

Commercial Agreements With Enemy Countries Declared Invalid.—The invalidity of commercial agreements between Czechoslovakia and enemy countries has been declared in a notice of the Czechoslovak Minister of Foreign Affairs of February 4, 1946, published on February 19 under No. 27 of the Collection of Czechoslovak Laws and Decrees, as reported by the American Embassy in Prague on February 26.

The notice states that all commercial treaties, agreements, and conventions, including supplementary agreements and protocols, between the Czechoslovak Republic on the one hand and Germany, Italy, Hungary, Finland, Bulgaria, Rumania, and Japan on the other hand are considered invalid since the outbreak of war and are, therefore, no longer in effect in the territory of the Czechoslovak Republic since the state of war existed with the signatories.

Certain commercial treaties, agreements, and conventions, supplementary agreements and protocols, are especially mentioned as having become invalid and are listed in the notice.

The notice, furthermore, states that all the commercial treaties, agreements, and conventions, including the supplementary agreements and prootcols, concluded at the time of "serfdom" by unconstitutional organs exercising power in the territory of the Czechoslovak Republic, are also invalid.

Reparations Agreement With Hungary Signed.—A reparations agreement between Czechoslovakia and Hungary was signed in Prague on April 6, 1946, according to a telegram from the American Embassy in Prague of April 10.

The principal provisions of the agreement are:

The total amount to be paid by Hungary to Czechoslovakia is $30,000,000 over a period of 6 years and is divided as follows: Agricultural products, $12,000,000; petroleum products, $1,750,000. In addition, Hungary will install an aluminum plant in Slovakia and provide necessary raw materials for its operation. The prices of commodities are to be based on the 1938 dollar indexes. In the event of the failure on the part of Hungary to meet the delivery dates specified in the agreement, it is provided that it will pay 5 percent interest for each month of delay on the amount involved.

Commercial Agreement With Switzerland Extended.—The commercial agreement of August 31, 1945, between Czechoslovakia and Switzerland, which became effective on September 15, 1945, for a period of 6 months, and was previously extended up to April 30, 1946, has again been extended for an additional 6 months, as reported in a cable from the American Embassy in Prague of May 8, 1946.

The agreement, which was published in the Feuille Officielle Suisse du Commerce (Official Swiss Commerce Gazette) No. 205 and No. 216 of September 3 and 15, 1945, contained temporary regulations for reciprocal deliveries of goods and the payment therefor, whereby Switzerland was to receive especially iron and steel products, coke, porcelain, glassware, hops, malt, and sugar, in return for delivery to Czechoslovakia of certain goods, especially breeding livestock, manufactures of the machine, chemical, and pharmaceutical industries, textile products, and watches. Furthermore, in order to make possible the purchase of a certain quantity of sugar from Czechoslovakia, Switzerland agreed to deliver also a limited quantity of cheese and condensed milk.

The quotas of goods assigned by the original agreement for delivery during the first period of validity of the agreement, have been mutually raised proportionally to the periods of extension.

Ecuador

Airgram From U. S. Consulate General, Guayaquil

Commercial circles during May were preoccupied almost exclusively with markets and prices for Ecuadoran rice, now that the harvesting of the crop is assured. Interest was not confined to those directly concerned in the rice trade, since receipts of foreign exchange from rice exports will be the chief factor, at least for the rest of the year, in determining the Government's allocations of exchange for imports.

The Cuban Government has shipped 60,000 quintals of sugar to Ecuador, as per agreement, but has declined to accept 120,000 quintals of Ecuadoran rice in exchange at the price of $11.50 (U. S. currency) a quintal c. i. f. Habana, which was the basis of the negotiations. This price is $3.50 above the ceiling price in Cuba, and represented a proposed subsidy by the Cuban Government. It is understood that Cuba is now disposed to pay a subsidy not in excess of $2.50 a quintal. Large rice orders have been received, however, from private firms in Cuba and the United States for shipment to various European countries, and exporters feel confident that the total exportable surplus will be disposed of at favorable prices.

The Hoover Mission was informed by the Minister of Economy that Ecuador could export approximately 500,000 quintals of rice before September, above and beyond present commitments, at a price of $10.25 (U. S. currency) f. o. b. Guayaquil. The figures mentioned were: 150,000 quintals in June, 180,000 in July, and 170,000 in August. Another 150,000 quintals might be available in September. Subsequent to the departure of the Mission, the Minister of Economy is reported to have told exporters that the Government is considering the advisability of forbidding exports at less than $10.25 f. o. b. Guayaquil, to protect the interests of Ecuadoran agriculture.

Bankers are reported to fear that undue delays in effecting exports of rice would bring about a shortage of credit. Demand is fairly heavy now because large shipments of merchandise ordered by Ecuadoran importers some time ago have been arriving recently. It is suggested that reserve requirements of the banks might be lowered from 35 percent to 25 percent if this situation develops.

Two decrees of May 31, 1946, authorized the Banco Nacional de Fomento to contract a 20-year loan of $1,000,000 at 3-percent interest, from the Venezuelan Government, and a similar loan from the Federación Nacional de Cafeteros de Colombia. These loans would be used to cover Ecuador's contribution to the capitalization of the proposed Flota Gran Colombiana.

An Ecuadoran businessman has announced the purchase of textile machinery in the United States at a cost of more than $1,500,000 for the establishment of a factory to manufacture poplin. The plant is to be located at Latacunga, and the machinery is expected to arrive by December 1946.

The Cervecería Nacional of Guayaquil has been granted exemption from export taxes for the export of 5,000,000 bottles of beer a year. It is believed that a market can be found in the United States.

A decree of May 3 places an additional tax of 1 sucre per dollar or the equivalent on all sales of foreign exchange. Eighty-five percent of the proceeds of this tax, which is expected to produce about 30,000,000 sucres revenue annually, will be for the Banco Nacional de Fomento and for its provincial branches; the remaining 15 percent will be used for the maintenance of a national rural police force. (The Fomento banks are semiautonomous Government banks which were created to encourage and assist the development of agriculture.) This tax brings the net selling rate for imports up to 15.04 sucres per United States dollar; higher rates are charged for sales of exchange for other requirements. The net buying rate remains at 13.132 sucres per dollar.

Finland

Transport and Communication

Radiotelephone Communication Improved.—The Finnish press reported that radiotelephone communication between Helsinki and Moscow was improved at the end of March and that telephone connections between Finland and Surinam would shortly be opened. Finland had not previously had telephone connections with that country. A 3-minute call will cost 1,468 Finnish marks, according to the account.

Shipping Operations.—Preparations for expanded shipping operations included a delegation dispatched to inspect Finnish ships in German ports; negotiations for the return of Finnish ships from the United States; and negotiations with Swedish companies with a view to placing more boats on the Turku-Stockholm route.

During February, 61 ships with a total capacity of 49,544 net registered tons left Finland for abroad; 44 of these with a capacity of 27,780 tons were Finnish. During the same period 87 ships arrived in Finland from abroad, the total tonnage being 71,651 tons; 69 with a total tonnage of 45,940 tons were Finnish.

France

Economic Conditions

Direction of Economic Control Reorganized

The Direction of Economic Control of the Foreign Service of the Ministry of National Economy is reorganized and becomes the Direction of Economic Control and Inquiries, according to decree No. 46–845 of April 29, 1946, published in the Journal Officiel of April 30. The new Direction comprises a central service, departmental services, technical services, and administrative centers.

Commodity Controls

Control of Milk and Milk Products Transferred to Minister of Supplies.—The control of the milk supply and supplies of dairy products has been transferred from the trade "Groupement" in France to the Minister of Supplies, by ordinance No. 45–1581 of July 17, 1945, published in the Journal Official of July 19. The main purpose of the ordinance

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is to insure the maximum delivery of milk and milk products by various measures.

Exchange and Finance

Money to be Used in Invoicing Exports to Foreign Countries Announced.—Invoices on exports from France to foreign countries must, in principle, be drawn up either in francs or in the money of the country of destination, according to notice No. 82 of the Exchange Office, published in Journal Official of April 14, 1946. Invoices may, however, be drawn up in one of the three following moneys: dollars, pounds sterling, or Swiss francs.

Tariffs and Trade Controls

Trade Organization Committees and Offices and Central Allotment Office To Be Dissolved; Allotment of Industrial Products Temporarily Controlled.—All trade organization committees, offices, and the Central Office for Allotment of Industrial Products in France are to be dissolved, and temporary control provided for allotment of industrial products, by law No. 46–827 of April 26, 1946, published in the Journal Official of the French Republic on April 28. Decrees of application, issued jointly by the Minister of National Economy and the interested ministers, applying the provisions of the present law to each branch of activity, will fix the date of entry into force for each of these branches. Administrative regulations are also to be issued.

PART I

Dissolution of Organization Committees and Trade Offices, of the Central Office for Allotment of Industrial Products and Its Sections, of the Autonomous Office for Collection of Taxes for Such Committees and the Central Office

The new law abrogates the following acts (so-called laws), which have been applicable temporarily:

1. The law of August 16, 1940, modified by the ordinances of June 22 and October 7, 1944, and subsequent texts, concerning the trade organization of industrial production;
2. The law of September 10, 1940, modified by the acts (so-called laws) of January 19 and July 29, 1943, and by the ordinance of June 22, 1944, and subsequent texts, concerning the organization of the allotment of industrial products;
3. The decree of May 15, 1941, and the law of December 29, 1942, modified by the decrees of September 4, 1943, and October 26, 1945, and subsequent texts, relative to the financing of expenses of organization committees and fixing the regulations for collection of trade taxes.

This abrogation, however, is not to become effective until after the appearance of the decrees of application (referred to above), and, at the latest, 6 months after promulgation of the present law.

Particular regulatory decisions, conventions, or accords, made by virtue of these acts and ordinances, and temporarily maintained in force, must, at the end of the 6 months, be declared invalid, modified, or confirmed by orders of the interested ministers.

The following are to be dissolved in the above conditions:

1. The organization committees;
2. The organisms called trade offices;
3. The Central Office for Allotment of Industrial Products and its sections, created in application of the texts enumerated above.

The Autonomous Office for Collection of Taxes of Organization Committees and of the Central Office for Distribution of Industrial Products, established by the decree temporarily in effect from May 15, 1941, will likewise be dissolved in the same conditions.

Regulations are provided for liquidation of the autonomous office and other dissolved organizations.

PART II

Temporary Provisions Preceding the Return of Economic Freedom

In the transitory period while the scarcity of raw materials still limits production, the regulations specified below will be applicable. These provisions will be removed by decree for each category of industry as soon as economic conditions permit.

In the general framework of directives established by the Minister of National Economy, and especially on the basis of global quotas determined by him, the interested minister fixes for each branch, which, because of the scarcity still existing, remains temporarily subject to the provisions of the transitory period, and following the advice of advisory committees established or to be established by him:

1. The rate of activity of each; and
2. The quotas of raw materials and products subject to quota corresponding to the fixed rate of activity.

Unless otherwise provided, these quotas are allotted by the allocating minister in three parts:

(*a*) The first part for public and industrial services or nationalized enterprises, the suballotment and the placing being assured by the interested ministers, upon the advice of the proper advisory committees;

(*b*) The second part for large enterprises, the suballotment and placing being entrusted to the most representative management trade syndical organizations ("organisations syndicales professionnelles patronales"); these enterprises are normally designated by the interested minister, upon advice of the proper advisory committees;

(*c*) The third part for the small and average enterprises and for artisans, the suballotment and the placing being assured, respectively: Either by the local syndicates or local sections of interested national trade syndicates, after agreement with the chambers of commerce and the chambers of trades, or by the chambers of commerce and the chambers of trades themselves if no agreement can be reached.

However, in industries where national syndicates exist which are sufficiently representative of average and small enterprises, these syndicates, upon request addressed to the interested minister, within 3 months following the promulgation of the present law, may be authorized to make the suballotment to the whole of the enterprises referred to in paragraphs (*b*) and (*c*) above.

In case the management syndicates or the chambers of commerce or of trades refuse to assume the tasks entrusted to them by paragraphs (*b*) and (*c*) above, the interested minister will be authorized to effect directly the suballotment to the enterprises.

Concerning the sectors of national interest for which production programs must be maintained temporarily the allocation of their suballotment to management syndicates and to chambers of commerce and of trades referred to in (*b*) and (*c*) above is made in execution of such production programs.

In case the management syndicates or the chambers of commerce or of trades do not apply the established production programs, the interested minister is authorized to effect directly the suballotment to the enterprises.

The allocation and placing of energy will be effected by the interested ministers in consideration:

1. Of the rate of activity fixed in application of the provisions of Part II, as well as of manufacturing programs or individual allocations fixed by the management syndicates, the chambers of commerce and chambers of trades; and
2. Of the energy resources of the country, account being taken of allocations made by the interested ministers for household uses.

The regulations of suballotment are established, respectively, by the management syndicates and the chambers of commerce and of trades. They are submitted for the approval of the interested ministers who can make necessary changes in them after advice from the advisory committees of the industry. Provision is made for appeals and settlement of disputes by arbitral commissions.

The provisions for allotment of quotas are applicable to all manufactured products, the distribution of which is still subject to quota regulations, with the reservation that, as concerns private consumption, the suballotment and placing will be assured by the chambers of commerce which place these products at the disposition of the merchants, with the agreement of local syndicates of merchants.

The census of enterprises and industrial and commercial statistics will be assured by the National Service of Statistics, in liaison with the chambers of commerce and the chambers of trades, the industrial, commercial and agricultural syndical organizations, management and workers, and following the instructions of the interested ministers who will centralize the results of such operations.

As an exception to the above regulations, the allotment of products necessary for automobile circulation is fixed temporarily by a decree issued by agreement between the Minister of National Economy and the interested ministers.

Revised Regulations for Bills of Lading Made to Order of IMPEX.—Revising a previous notice of March 2, 1946, a Notice of Importers issued in France by the Ministry of National Economy and published in the Journal Officiel of April 28, gives the regulations effective for 1946 for drawing up bills of lading made to the order of IMPEX (the Import and Export Service).

Bills of lading made to the order of IMPEX are to be drawn up as follows:

1. IMPEX governmental purchases: These include materials for public services which will continue to be bought by the purchasing missions in the countries in which they function (the United States, Canada, Great Britain, and Germany), and which are the property of IMPEX. They will be invoiced by this organization and require no import permits.

2. IMPEX nongovernmental purchases (intended for . . . Groupement): These include: (*a*) Materials for provisioning, raw materials, and standard finished and semifinished products, bought by trade organizations (Groupements d'importation et de répartition) under contracts passed in a country in which a purchasing mission functions and under the control of this mission. Under this category are included all purchases concluded in the countries in which a mission exists even when the merchandise will be exported from another country (for example, copper from Chile bought in the United States under the control of the purchasing mission); (*b*) Specially designed equipment bought in countries in which missions function and under the control of these missions. No import permits are required.

3. IMPEX licenses (intended for . . . Groupement): These include materials for provisioning, raw materials, and standard finished and semifinished products purchased by a trade organization, under contracts passed in France, whether products originate in a country in which a purchasing mission exists or not. Import License Form AC is required.

4. IMPEX licenses (intended for private account): These include products imported for private account involving small sums, for which import License Form AC is required in each case.

5. French colonial products:

(*a*) IMPEX governmental purchases. These include certain contracts approved by the French Office of Supplies which have not yet been taken over by the Groupements and which remain the property of IMPEX.

(*b*) IMPEX nongovernmental purchases: These include all sorts of private purchases, as well as gifts originating in the French colonies. No import licenses are required for any imports from the French colonies into France.

[See FOREIGN COMMERCE WEEKLY of December 30, 1944, for law establishing IMPEX and of November 10, 1945, for previous announcement on bills of lading in the name of IMPEX.]

Provisional Service of Dairy Industry Established.—The Provisional Service of the Dairy Industry was established in France under the authority of the Minister of Agriculture, by ordinance No. 45–1580 of July 17, 1945, published in the Journal Officiel of July 19. The law of July 27, 1940, establishing the organization of the milk industry, as well as succeeding laws and decrees in relation thereto, are hereby annulled.

The purpose of this provisional organization is, in general, to advise the Minister of Agriculture, and to put into operation appropriate measures for increasing the milk supply, as well as to determine what production, transformation, and distribution of dairy products, both so far as quantity and quality are concerned, will satisfy domestic and foreign markets.

Licensing Requirements for Goods Imported Under Regime of Special Temporary Admission Relaxed.—Licensing requirements for goods imported and exported under the regime of special temporary admission are relaxed to some extent, according to a Notice to Importers and Exporters issued by the Minister of National Economy in France and published in the Journal Officiel of April 27, 1946.

Under this regime the presentation of Import License Form AC is no longer obligatory upon importation of merchandise into France. Instead, a simple import declaration form, in duplicate, one copy of which is forwarded to the Exchange Office, is authorized.

No export permit, but only a simple exchange declaration, is required for merchandise reexported under this regime, if the goods are exported to a foreign country in their original state, or after transformation, provided not more than 10 percent by weight is added of French materials, or if more than 10 percent is added of French materials not subject to export restrictions. Export License Form 02 is still required, however, in cases in which more than 10 percent by weight is incorporated of French materials subject to export prohibitions.

The notice also covers special regulations on payments for goods and transit shipments.

[See FOREIGN COMMERCE WEEKLY of May 11, 1946, for previous licensing requirements for goods imported under regime of special temporary admission.]

French Morocco

Economic Conditions

REVIEW OF DEVELOPMENTS DURING 1945

The economy of French Morocco underwent further trial during 1945. No appreciable increase in the levels of industrial or commercial activities was registered during the year, and foreign-trade operations remained severely hampered, principally as a result of the continuation of wartime controls and to shortages of available goods and foreign exchange.

The unprecedented drought at the beginning of the year and the resultant crop failures forced the Protectorate government to devote most of its energy to plans for the staving off of the widespread starvation that seemed inevitable. With exchange furnished by France, the local government was able to purchase and obtain the delivery of badly needed supplies of American and Canadian wheat. By the close of the year, however, it was believed that the worst part of the danger had passed, and it was hoped that with fairly good winter rainfall, a good crop year would follow.

The influence of natural forces on the economic life of French Morocco was demonstrated throughout the year, as the prolonged drought produced repercussions in almost all phases of the country's economy. The lack of water imposed a severe burden on the electric power industry, and, as a result, manufacturing and transportation activities were somewhat handicapped. The failure of the crops also resulted in widespread unemployment and fostered the growth of black-market operations, despite the introduction of additional government controls. It was, therefore, largely because of the drought that no appreciable progress in the development of the country's economic potential occurred during 1945.

MANUFACTURING AND POWER

There was little new building or expansion of manufacturing industries during the year, principally because of shortages of supplies and equipment. Native production of traditional handicraft goods was also somewhat curtailed by the lack of raw materials and high selling prices. It was felt, however, that some expansion in the manufacturing industry would take place during the following year. Reportedly, abundant capital was available for investment purposes and numerous French firms were said to be interested in the transfer to Morocco of industries now operating in France. Plans were reported under way for the opening of a cotton spinning plant with a capacity of 25,000 spindles, which will utilize locally produced cotton. Other plans under consideration include the establishment of a large distillery to produce trade-marked alcoholic beverages and several new fish-packing or processing plants.

Although the power industry in French Morocco was seriously handicapped by the shortage of water supplies, the total production of electric current during the year did not show an appreciable drop as compared with 1944 (which had been a peak year for the production of current). In 1945, a total of 212,154,885 kilowatt-hours of current was produced as against 213,700,227 in 1944. A sharp increase in the production of steam-generated current com-

pensated in 1945 for the decrease of hydroelectric production.

Mineral Production

In general, mining activities increased considerably in 1945 in response to active demand, although high costs, shortage of power, and the lack of equipment hampered operations in all branches of the industry. In comparison with 1944, the production of raw phosphates, coal, manganese ore, lead ore, and several other minerals made a good showing. No extensive developmental activities were undertaken, largely because of shortages of equipment and supply. Owing primarily to the shortage of transport, shipments to France were rather small, despite efforts on the part of French industry to obtain needed Moroccan minerals. Trade with the United States in 1945 was largely limited to imports of a small quantity of coal to supplement local production, and exports of raw phosphate for ship ballast.

The total production of dried raw phosphates in 1945 was approximately 1,625,000 metric tons, a moderate increase over the preceding year's production of 1,445,000 metric tons. Coal production, though increasing from about 147,000 metric tons in 1944 to nearly 180,000 metric tons in 1945, did not reach the expected level. This failure was attributed in part to the general unsettled state of economic conditions in French Morocco. The estimated production in 1945 of other minerals, in metric tons (1944 figures in parentheses), was as follows: Manganese ore, 45,000 (27,352); lead ore, 15,500 (13,500); petroleum, 3,500. Of the numerous minerals that are found in French Morocco, few have as yet been brought into production on any considerable scale. Deposits which may in the future take on greater importance include those of cobalt, zinc, copper, graphite, and asbestos, the ores of which were extracted in small quantities during 1945.

Construction

Because of the lack of materials and transportation facilities, there was relatively little new industrial construction during 1945. Cement and structural iron could be purchased only by special permit granted by the government. Until the middle of the year, the Allied military forces stationed in French Morocco had been the largest users of cement, accounting, during the spring months, for more than 75 percent of the total output. Military consumption of cement at the close of the year, however, was almost negligible, as a result of the decreased military importance of this area and the consequent withdrawal of many troops.

During the year, the Protectorate government started on a program calling for the construction of dwellings, schools, and native shops. Although little building has been completed, this project will probably become increasingly important during the next 2 years. Plans were completed, also, and preliminary ground work started on the dam and hydroelectric plant at Bin-El-Ouidane. When completed, this will be the largest hydroelectric plant in North Africa, and will practically double the present Moroccan output of electric current.

An acute housing shortage exists in French Morocco, and although much interest has been exhibited in prefabricated houses as a possible solution of the country's housing problem, mass purchases of such houses from the United States and other sources have as yet not materialized, ostensibly because of lack of exchange. It is evident, however, that if normal supplies of material and labor are available during the next few years, a sharp increase in domestic construction will ensue in French Morocco.

Transportation

There was no marked improvement in trucking facilities. New equipment, received in the main from the United States, was insufficient to cover more than immediate replacement needs. The problem of proper and speedy grain distribution to interior regions necessitated strict control and operation by the government of the Moroccan motortruck pool throughout the year. No new passenger cars were imported into Morocco during the year, although increased imports of repair parts and tires were sufficient to maintain the estimated 6,900 passenger cars currently operating in the country. A rapid improvement in the passenger-car situation was believed unlikely, inasmuch as local authorities at the present time appear hesitant to make dollar exchange available for purchases of this item in the United States.

No new railway construction was reported during the year. Efforts were devoted to the repair and maintenance of the existing rolling stock, which, after 6 years of war and few replacements, is practically worn out. During the year the State-owned telephone and telegraph system was returned to civilian control, and where materials permitted, repairs were made and the service improved. In December, radiotelephone communication between Morocco and France was opened to the public.

Employment and Labor Conditions

The year 1945 was characterized by continually rising wage levels and almost full employment among Europeans, but by extreme unemployment among agricultural workers. Contributing to the upward movement of the general wage level were three major government-enacted adjustments in the salary scales of both government and private employees. Although organized labor has been very active in French Morocco, no significant industrial disputes or strikes marked the period under review, partly because of the desire of the labor organizations to contribute fully to the war effort and partly because of the success of less militant tactics in achieving union objectives.

A consequence of the drought and the resultant agricultural unemployment was the mass migration of rural labor to more favored regions and the large cities along the seacoast. This movement continued until July when the distribution of grain imported mainly from the United States eased the situation. Promise of a normal 1946 season brought many natives back to their farms, and by the close of the year it was estimated that two-thirds of all migrants had returned to their home regions. Despite this reverse trend, some migrants appear to have settled in the cities permanently, accounting for some unemployment in the larger cities. Generally, however, labor in urban areas remained in high demand, with skilled labor especially scarce. Returning soldiers have been easily absorbed into the economy and the various refugee groups that have found their way to Morocco in the past have continued to find ready employment.

Agriculture and Livestock

Easily the most significant economic development of the year, the unprecedented drought left its imprint on all crops, but particularly the cereal crops, and necessitated the importation of large stocks of grain to avert a country-wide famine. The ruinous effect of the drought on the 1945 cereal crop in French Morocco is demonstrated by the following production figures expressed in metric tons (1944 production figures in parentheses): Soft wheat, 67,000 (167,000); hard wheat, 89,000 (300,000); barley, 167,000 (675,000); oats, 8,000 (30,000); corn, 38,000 (120,000); sorghum, 700 (45,000). Grain imports during 1945 reached 700,000 metric tons, an extraordinarily large amount for Morocco inasmuch as it normally has a grain surplus for exportation.

Vegetables and citrus crops fared somewhat better, although the necessity of meeting commitments to France caused shortages in some items at times. Generally, however, fresh vegetables and citrus fruits, together with some varieties of canned fish, were in abundant supply, and could be exported in fairly large quantities. The 1945–46 production of citrus fruit is estimated at be-

tween 65,000 and 70,000 metric tons, some 7,000 metric tons of which had been exported to France as of the close of the year. Spoilage, however, ran as high as 30 percent, as a result of transportation difficulties.

Estimates made earlier in the year of the grape harvest were apparently somewhat optimistic, as the total 1945 grape harvest yielded only 250,000 hectoliters, or one-half that of the preceding season, and was sufficient to meet only 50 percent of domestic consumption requirements. However, the problem of importing an additional 250,000 hectoliters of wine presents transportation rather than supply difficulties, as ample stocks are available for export in Algeria.

It is believed that the drought and consequent shortage of feed resulted in the mortality of one-half of Morocco's cattle and about one-third of its sheep. At the end of the year, it was estimated there were about 1,800,000 cattle, 10,000,000 sheep, 8,000,000 goats, and 50,000 hogs remaining in the country. Also because of the drought, meat was offered freely on the open market, although the inadequacy of storage facilities resulted in extensive spoilage. A considerable quantity of meat was canned.

The agricultural situation was further aggravated by an extreme shortage of farm machinery. The 1945 official import program had envisaged delivery of large quantities of agricultural equipment, but only a very small portion of the program was actually realized during the year. Although 694 trucks, largely American, reached Morocco in 1945, only three were allotted for agricultural purposes, the remainder having been diverted into French military and other channels on a basis of priority of need. It had been hoped to import some 500 tractors during the year, but only 92 American tractors were delivered.

Because of a change in military directives at the close of 1945, surplus American military equipment, which had previously been returned to the United States, became available for local purchase. It was thus hoped it would be possible during 1946 to satisfy many of Morocco's agricultural equipment needs from purchases of this United States surplus military property.

Several measures designed to improve both native farming methods and native living conditions were instituted during 1945. Of special importance was the establishment of a "Sector for Modernizing the Peasantry," calling for the division into sections of Morocco's vast tribal lands, each section having a special project intended to improve both the land and the economic welfare of the people. This program will constitute, if it is carried out, the largest concerted undertaking in Moroccan agricultural history, and will necessitate considerable government expenditure for the purchase of agricultural equipment and supplies. As of the close of the year, however, little progress, beyond a bare start on the program was reported.

Domestic Trade, Finance, and Cost of Living

Continued wartime government control over all commercial activities in French Morocco was in evidence throughout the year. Although some modification of regulations regarding business charges was enacted late in the year, the government generally remained in firm control of all business operations. Wholesale and retail prices continued to be regulated, and goods in short supply (which included most essential items) remained strictly rationed. Despite an active government campaign against the black market, illegal operations flourished, and rationed items brought prices ranging from 3 to 10 times the official prices.

Demand for credit for personal reasons or building purposes during the year was light, as a result of the rather large quantity of money in circulation and the comparative inactivity in the construction industry. There was, however, an active demand on the part of local importers for short-term notes to finance purchases in foreign countries (principally the United States). Banks generally were reported doing a good business, and collections presented practically no problem. In the field of finance, the most significant development during the year was the devaluation of the franc, on December 26, by the French Government. This action established parity of exchange between the francs of Morocco and France, and set the value of these francs at 119.107 to the dollar (about $0.0034) as against a predevaluation rate of 50 francs. Although a revision of the French continental and colonial currencies had been anticipated by local authorities, the valuation given the Moroccan franc was somewhat lower than had been expected. As a result, it was believed that in 1946 action would be initiated by the government to attempt to control a tremendous rise in the cost of living on one hand, and on the other, to prevent foreign traders from making excessive profits as a result of the currency revision. In general, it was felt that devaluation would have a stimulating effect on exports to the United States during 1946.

Foreign Commerce

Despite the announced return to private trade with the United States in a large number of commodities on July 1, purchases remained subject to strict government control. As a result of the absolute control over all foreign exchange by government authorities in continental France and the licensing controls exercised by Protectorate authorities, trading operations in French Morocco were seriously restricted throughout the year.

Complaints against this centralization of government control, both by local businessmen and Protectorate officials, have been mounting steadily, but prospects for an early end to these controls are not encouraging. The lack of available dollar exchange and the shortage of essential goods were still advanced as the principal reasons for the retention of these controls in Morocco. In many quarters it was believed, however, that they were being employed to discourage traffic with non-French sources of supply.

In general, as compared with the preceding year, there was practically no expansion in foreign trade. Official statistics were not available, but it was estimated that total imports (1944 figures in parentheses) amounted to 441,832 (559,300) metric tons valued at 3,367,768,000 (3,609,059,000) francs and that total exports totaled 1,539,572 (1,534,480) metric tons valued at 2,929,972,000 (2,665,365,000) francs. During 1945, the Protectorate was estimated to have imported 97,888 metric tons valued at 1,091,108,000 francs from France and its possessions, as against 343,944 metric tons totaling 2,276,660,000 francs imported from all other countries. Exports to France and its possessions were estimated unofficially at 153,720 metric tons totaling 2,192,928,000 francs and to all other countries at 1,385,852 metric tons valued at 737,044,000 francs.

In 1945, largely because of the pegged rate of 50 francs to the dollar, most Moroccan products were unable to find a ready market in the United States. The total dollar value of Morocco's exports to the United States was estimated at about $1,500,000, consisting largely of raw phosphates. The estimated dollar value of United States exports to Morocco (exclusive of petroleum products and wheat, which were paid for directly by France) was placed at more than $35,000,000.

In general, both the commodity makeup and geographical distribution of Morocco's foreign trade during 1945 remained highly abnormal compared with the trade patterns of prewar years.

French West Africa

Tariffs and Trade Controls

Tobacco, Distilled Beverages, Liqueur Wines and Mistelles, Soaps and Perfumery: Fiscal Import Duties Increased.—

The fiscal import duties in French West Africa on leaf tobacco and tobacco products, distilled beverages, liqueur wines and mistelles, soaps, toilet water and other perfumery, of any origin, have been increased by order No. 2553 F of August 21, 1945, published in the Journal Officiel of French West Africa on September 1.

The new rates with former rates in parentheses are as follows:

Liqueur wines and mistelles and other beverages with a wine base, having an added alcohol content greater than 23°, 15,000 (12,000) francs per hectoliter of pure alcohol; equal to or less than 23°, 1,250 (1,000) francs per hectoliter of liquid.

Distilled beverages, including brandy, whisky, rum, other alcohols (properly so-called) or spirits and liqueurs, 15,000 (12,000) francs per hectoliter of pure alcohol, with a minimum duty of 6,000 (4,800) francs per hectoliter of liquid.

Toilet water having a base of distilled alcohol, 10,000 (8,000) francs per hectoliter of pure alcohol with a minimum duty of 4,000 (3,200) francs per hectoliter of liquid.

Perfumery products with an alcohol base, other than soaps, 40 (32) percent ad valorem with a minimum duty of 10,000 (8,000) francs per hectoliter of pure alcohol or 4,000 (3,200) francs per hectoliter of liquid. Soaps and other perfumery products with a nonalcoholic base, 40 (32) percent ad valorem.

Tobacco, in francs per net kilogram, in leaf or stem, 37.50 (30); cigars, 300 (240); cigarettes, 250 (200); others, 212.50 (170).

[See FOREIGN COMMERCE WEEKLY of December 2, 1944, for the announcement of previous rates on distilled beverages, liqueur wines, and mistelles.]

Tobacco Products and Beer: "Single Consumption Taxes Increased.—The "single" consumption taxes in French West Africa on beer and tobacco products were increased by order No. 2554 F of August 21, 1945, published in the Journal Officiel of French West Africa on September 1.

The increased rates for tobacco products, in francs per net kilogram (former rates in parentheses) are as follows: Cigars 250 (200); cigarettes, "superior", 200 (160), other, 100 (80); snuff, 80 (65); other tobacco products, 162.50 (130). The "single" consumption tax of 5 percent ad valorem on beer was increased to 10 percent ad valorem.

"Superior" cigarettes are those the domestic wholesale sales price of which exceeds 195 francs per kilogram.

[The establishment of the tax on beer and former rates on tobacco products were respectively announced in FOREIGN COMMERCE WEEKLY of September 30 and October 14, 1944.]

Iraq

Economic Conditions

The outstanding economic developments in Iraq during the quarter ended March 31, 1946, were the exceptionally large orders placed by Iraqi merchants within the sterling area, the first steps initiated by the supply authorities for the removal of trading restrictions, and the extension of the Anglo-Iraqi Scarce Currency Agreement of 1945 for a further period of 3 months, to expire March 31, 1946, on the basis of a 25 percent increase of the target figure of $14,000,000. On April 8, 1946, a new agreement was reached between Iraq and the United Kingdom, which provides Iraq with approximately $14,000,000 for the year ending March 31, 1947.

INDUSTRY

Iraqi industry operated at full capacity during the first 3 months of 1946, but reports that large shipments of foreign goods were in transit to Iraq depressed prices. Factory owners realize that the best they can hope for when trade reverts to normal will be marginal profits. The local press has already taken exception to the influx of foreign-made matches and cigarettes, which, it is claimed, has dealt a severe blow to national industries and caused widespread unemployment. The Tobacco Workers' Union has appealed to Iraqis to boycott foreign cigarettes to protect the Iraqi worker.

A committee composed of large capitalists and high-ranking Iraqi officials is sponsoring the following companies: The Iraq Spinning & Weaving Co., Ltd. mills are expected to enter production during the course of the year. The capital was recently increased from 200,000 dinars ($800,000) to 500,000 dinars ($2,000,000). The plant will be ultramodern with recreational centers, cafeterias, and houses for the laborers. The Iraq Building Materials Co., Ltd., which was formed in 1945 with a capital of 220,000 dinars ($880,000), is erecting a brick factory with a projected annual output of 36,000,000 bricks. Mechanical excavation of raw materials will be used, as well as automatic handling and vacuum extrusion. Production is expected to begin during the latter part of 1946. The same organization has planned the construction of a mechanical plaster plant with a daily output of 250 tons. The company intends to order the necessary equipment from the United States. It is also planning to erect a cement plant with a daily capacity of 300 metric tons.

Equipment for the first brewery to be constructed in Iraq has been ordered from the United Kingdom and is in transit, and a British engineer is expected in Baghdad in the near future to install the equipment. Hops also will be imported from the United Kingdom. Baghdad is also to have a film studio. It will be directed by a British film and theatrical producer, who will bring his own technicians to train local personnel in all branches of film making.

In 1945 the total petroleum production of the Iraq Petroleum Co., Ltd., was reported to be 4,313,400 long tons against 3,882,600 in 1944. Designs and specifications for the construction of a State oil refinery at Baiji, to have a capacity of 350,000 tons per annum, are nearing completion. It is understood that the Ministry of Economics intends to invite bids during the month of July 1946 for the erection of the refinery. Foreign companies will be invited to participate, but in view of the scarcity of dollar exchange it appears improbable that the contract will be awarded to an American company.

A committee has been formed to consider proposals for the construction of about 3,000 miles of new highways in Iraq. The Public Works Department, it is reported, has asked for an allocation of 700,000 dinars ($2,824,500) in the new capital-works budget for the project.

The local press reports that the Iraqi Council of Ministers has agreed to lend the Iraqi State Railways 1,000,000 dinars, to be repaid in 15 annual installments, to carry out approved railway schemes, such as the building of three bridges, the extension of the Kirkuk-Arbil line, and the building of a central railway station at Baghdad and offices for the railway headquarters.

The first postwar American-built car has yet to make its appearance in Iraq. It now seems probable that import licenses will be granted for several hundred American cars during 1946. About 100 British cars have thus far arrived in Iraq, for which retail prices were quoted as follows:

Standard:	*Iraq dinars*	*U. S. dollars*
14 horsepower	675	2,729
8 horsepower	530	2,143
Austin:		
8 horsepower	450	1,819
10 horsepower	540	2,183
14 horsepower	695	2,810
Jaguar, 16 horsepower	850	3,437

On February 28, 1946 (latest figures available), tire inventories totaled 4,532 units. Tire shipments from the United States for the first quarter of 1946 will fall short of requirements by about 1,000 units. The British Supply Disposal Office is reported to have sold 3,185 tires to the Iraqi Government.

The Civil Aviation Department has recommended the construction of a new meteorological station at Haditha for

the guidance of aircraft, and an order has been placed in the United Kingdom for airport equipment having an estimated value of $109,000. A plan to abandon the present Baghdad Airport and to construct a new airport double the size of the one in existence is being actively prosecuted. The proposed new airport will measure about 5,000,000 square meters, and the cost is conservatively estimated at $5,000,000.

The Middle East Air Lines, operated by the Lebanese National Air Line, began its service on February 15, 1946, when its first airplane left Beirut for Baghdad. Agreement has been reached between the Iraqi Airways and the Middle East Air Lines for the joint operation of the Baghdad-Beirut service.

Agricultural Conditions

Preliminary estimates forecast bumper crops in 1946. Early, abundant, and well-distributed rains, generally favorable weather conditions throughout the winter, and the high prices which prevailed throughout 1945 account for a record area of cultivation. The Iraqi Department of Agriculture plans to introduce radical reforms in the operation of its experimental farms and in the means of assisting cultivators to produce larger and better crops. The Director General of Agriculture intends to retain the services of a number of foreign experts, including American soil and agricultural specialists.

On March 14, 1946, the Date Association invited tenders for the purchase of all the dates of Basra Liwa for a period of not less than 5 years, effective August 14, 1947. Tenders were required to be submitted before March 31, 1946. Exception was taken to the closing date of the tender, and it then became apparent that the notice was published without the authority of the appropriate minister and it therefore was canceled. The grant of a date monopoly is still a question which requires much debate before a final decision is made. It is possible that the Government may eventually decide to eliminate the monopoly altogether or form a cooperative society or marketing board to handle date exports.

The Department of Agriculture is supplying cotton growers with seeds for the new crop. The local press has stated that since Iran and Syria have stopped their cotton purchases from Iraq, the cultivation of this fiber should not be encouraged unless it is accompanied by a drive for local textile industries.

The wool market was fairly active in January. About 1,500 bales of 160 kilograms each were sold and shipped to France at $0.42 per pound f. o. b. Basra for clipped fleeces and $0.28 for pickings. Local merchants hesitated to buy for the United States market, prices being 15 to 20 percent higher than United States prices.

Trade and Controls

The policy of the present Minister of Supply is toward a relaxation of controls. On March 31, 1946, he abolished the Directorate General of Transport and announced the dissolution as of April 20, 1946, of the Directorate General of Engineering Supplies. The only articles which will continue to remain under the strict control of the Government will be cotton textiles and sugar. Other commodities will either be decontrolled, or, in the case of goods originating in hard-currency areas, a semicontrol will be exercised for the purpose of allocating the necessary funds to finance imports.

Despite a decline in the wholesale trade during the first quarter of 1946, the cost of living continued to be exorbitant. The local press criticized the Government's failure to take action in reducing the prevailing high cost of living. It took particular exception to the practice of the Iraqi customs officials of imposing customs duty on imported goods on the basis of prices ruling in the local market rather than on real cost prices.

Iraqi importers have been warned by British firms that orders placed within the sterling area are far in excess of the requirements of Iraq. Business placed abroad during January 1946 continued at a high level. Although bank credits opened during that month were slightly lower than those established during the preceding month, they were substantially higher than the monthly average of 1945. Business placed abroad during February for which bank credits were opened was only 60 percent of the figure for January. The volume of business during March has not yet been announced, but it is believed to have been about the same as February or slightly lower. Although money in banks and bazar was easy, the demand increased considerably as a result of the large orders placed in the United Kingdom for long-term delivery. It is reported that orders for goods amounting to $100,000,000 have been placed in sterling and hard-currency countries.

DEPARTMENT OF COMMERCE
Bureau of Foreign and Domestic Commerce

Washington 25, D.C.

Tariffs and Trade Controls

Sugar Control Relaxed.—The Iraqi Government has relaxed controls over the import of sugar and has invited importers to submit applications for the import of sugar from both sterling and nonsterling areas, according to an airgram from the American Legation, Baghdad. Immediately after the outbreak of war, the Iraqi Government requisitioned existing stocks of sugar and monopolized importation and distribution.

Italy

Economic Conditions

National Trade Conference Promotes Free Trade

Italian industrialists and merchants interested in the development of foreign trade met freely in a National Congress at Milan, March 11 to March 14, for the first time since the liberation of their country. The meeting was attended by between 600 and 800 delegates representing all branches of Italian trade and industry, and by officials of the Italian Government and of the Allied Commission. It was sponsored by the North Italy Industrial Council (CIAI), which is composed largely of the representatives of private interests.

The congress approved six recommendations for consideration by the Italian Government, and chose a committee of 10 delegates to follow them up with the Government. The recommendations are as follows:

1. Qualitative and quantitative restrictions on exports are to be effective only during the present extraordinary conditions.

2. Only a minor portion of foreign exchange derived from exports should be withheld from exporters, and the larger portion should remain at their disposal for purchases abroad. Moreover, these foreign-exchange restrictions should be maintained only for the period of the present emergency.

3. Commercial clearing agreements should cover only the most exceptional cases.

4. Private compensation should be facilitated where free exchange is not available.

5. Economic policy should be adopted of encouraging foreign investment in Italy's program of reconstruction and manufacture of goods for export.

6. Governmental decree of July 24, 1942, prohibiting foreign investments in Italy without special authorization should be abolished.

After the close of the Congress the Government issued a decree permitting private exporters to retain 50 percent of the foreign-exchange proceeds from their exports, instead of delivering the full amount to the Government as heretofore, and permitting the use of the foreign exchange for the import within 90 days of listed commodities needed by the Italian economy.

Tariffs and Trade Controls

Temporary Customs Benefits Granted for War Surplus Supplies of Foreign Origin.—Customs duties on war surplus supplies of foreign origin (with the collection, custody, and disposal of which the Italian Agency for the Collection and Alienation of War Surplus Supplies is charged) may not be in excess of 15 percent of their value according to Ministerial decree of January 30, 1946, published in the Gazzetta Ufficiale of March 11, and effective from the day following publication. This 15 percent maximum includes import duty, import license tax, and the duty, if any, which is charged on the internal and external containers of the goods. The duty is assessed on the gross price realized by the agency, minus 25 percent. The agency may choose between the application of the aforesaid 15 percent or the tariff treatment applicable to the individual merchandise in question.

Temporary Customs Benefits Granted for Certain Relief Supplies Imported Into Italy.—A list of foodstuffs and medicinal products which are temporarily exempted either totally or partially from import duty and license fee, when imported into Italy for relief purposes, was established by a Ministerial decree published in the Gazzetta Ufficiale of January 3, 1946, and effective from the day following publication.

Total exemption from customs duty and license tax was granted for certain foodstuffs, including grains except rice, and malt, flour, or meal except of rice, macaroni products, bread, and sea biscuits.

Specified medical and surgical supplies imported in accordance with the decree are not subject to import charges in excess of 15 percent of their value (including import duty and license tax). Included in this list are: Medical, and surgical instruments and apparatus, rubber articles, spirits of turpentine, iodine, zinc oxide powder, sodium compounds, silver nitrate, copper sulfate, hydrogen peroxide, glycerin, ether and chloroform, carbon tetrachloride, and synthetic medicinals except alkaloids, pharmaceuticals, and special medicinal preparations.

This treatment is granted exclusively to these goods when imported either on the basis of a declaration by the Allied authorities, or by the Italian Government, for sale as relief supplies through official organizations.

Madagascar

Economic Conditions

STATUS OF TRADE WITH FRANCE

The resumption of ship traffic with Marseille is helping toward the rechanneling of exports and imports between Madagascar and France, but it will undoubtedly be some time before the mother country can regain its prewar dominant position with respect to the island's foreign trade. Despite government efforts in recent months to encourage trading operations with France and its possessions, continued reliance on non-French sources of supply for some items appears likely; owing to the present inability of France to meet local requirements in full.

Items which at present cannot be obtained from France include iron and steel semimanufactures, such as structural iron, bars, and sheets, and nonferrous metals; local importers have been referred to Allied countries for these metals, according to a notice published in the official daily newspaper Informations at Tananarive on February 8, 1946.

Replacement parts for automobiles, motorcycles, and bicycles, agricultural equipment, and miscellaneous materials containing the foregoing metals may be ordered from France, but local interests are reminded that the metals are under allocation in France and that the products must be ordered as early as possible in order to take advantage of the limited distribution of the metals in the mother country.

Netherlands

Economic Conditions

EXPORTS DURING MARCH 1946

Netherlands exports almost doubled during March 1946 as compared with February, rising from 24,800,000 florins to 43,800,000, according to the Amsterdam newspaper Trouw of May 10, 1946. (See also FOREIGN COMMERCE WEEKLY, May 25, 1946.)

The most important items exported during March were: Fish and shellfish (1,800,000 florens); pulse (1,800,000 florins); seeds and seed corn (10,800,000 florins); potatoes (5,400,000 florins); flower bulbs, plants and similar items (3,000,000 florins); radio articles (2,500,000 florins); and electric bulbs (1,300,000 florins). Coke, rabbitskins, rayon yarns, cotton goods and gin were also exported.

Countries receiving the larger part of the exports were: Belgium (11,500,000 florins); France (8,400,000); Sweden (3,600,000); Germany (3,500,000); Switzerland (3,100,000); and Great Britain (2,200,000). At the present exchange rate 1 florin is worth approximately $0.379.

Commodity Controls

Gasoline Rationing Halted—The halting of gasoline rationing as of June 1, 1946, was announced in a communiqué of May 8, 1946, issued by the Rijksbureau voor Aardolieproducten (Government Bureau for Petroleum Products) according to a dispatch from the American Embassy at The Hague of May 6, 1946. Rationing of lubricating oils and greases was also halted as of the same date.

However, the legal provisions on which rationing of these commodities was based will remain in force, so that rationing may be reinstituted in the event that consumption of these goods exceeds the available supply. The Government believes that existing restrictions (granting of only a limited number of driving permits and the ban against Sunday and holiday driving) will enable it to control the situation to the extent that rationing may remain unnecessary.

Nicaragua

Tariffs and Trade Controls

Antimalaria Products Permitted Duty-Free Entry.—Antimalaria products in general, including patent medicines of recognized efficacy in combating malaria which are registered in the Direction General of Sanitation, are admitted into Nicaragua free of duty under Customhouse Administrative Circular No. 301 of May 7, 1946, which became effective as of that date.

Norway

Airgrams From U.S. Embassy at Oslo

Economic conditions in Norway continued to recover during May, despite

continuing handicaps such as rigid foreign-exchange restrictions, scarcity of many essential commodities, and unstable international market conditions.

According to latest figures of the official Central Statistical Burfeau, the general index of Norwegian industrial production for March 1946 reached a postwar high of 99 (1938=100) compared with 97 in the preceding month and a postwar low of 46 in July 1945; the recovery trend was strong enough to more than counteract the seasonal recession which normally occurs at this time. The export industries index reacted 1 point—to 75—in March, following a 21-point rise in the preceding month.

Recovery is proceeding rather unevenly, however; thus, industries producing for the home market showed a March production index of 111, consumers goods industries 107, electrochemical industries 95, mining industries 27, producers goods 96. The last-mentioned index is substantially inflated, however, as it includes the iron and steel industry, the productivity of which is measured in terms of labor time rather than physical production; work tempo is still considerably below prewar in this and other industries, hence the general index would drop about 12 points if computed with the iron-and-steel data on a productivity basis. The Government's price stabilization program—the cardinal point in its postwar economic policy—is still proceeding with commendable success; the official wholesale price index stood at 166.4 in April 1946, against 165.2 a month earlier, and 166.0 in December 1945. The cost-of-living indexes for the same months were 157.8, 157.3, and 156.3 (1938=100).

Redundancy of purchasing power continues to increase slowly. Note circulation of Norges Bank was 1,572,000,000 crowns on May 15 against 1,570,000,000 a month earlier. Deposits of Norges Bank on May 7 were shown at 6,596,000,000 crowns, against 6,445,000,000 on April 15; however, in the May 15 statement deposits were shown at 6,193,000,000 crowns, and the "riksinnskudd" (National Deposit) was shown separately at 1,002,000,000 crowns, this account having been centralized in the Norges Bank from the various individual banks over the country following completion of the currency reconversion operation of last autumn. For the first time in the postwar period, the item of loans and discounts at the Norges Bank showed a substantial increase, jumping from 25,000,000 crowns on April 15 to 68,000,000 on May 15.

Deposits in the commercial and savings banks likewise continued the upward trend of recent months following the substantial decline that occurred after the currency conversion; latest official reports show aggregate deposits in commercial and savings banks for March 1946 at 7,778,000,000 crowns, against 7,763,000,000 a month earlier and 7,683,000,000 in December 1945. The postwar high figure of deposits was reached in September 1945, just before the currency conversion, with 8,060,000,000 crowns, whereas in March 1945 total deposits were 6,655,000,000 crowns. Loans and discounts of the commercial banks are also moving up, totaling 1,075,000,000 crowns in March 1946, 984,000,000 a month earlier, and 944,000,000 in December 1945. The banking situation is still extremely liquid and the commercial credit situation very easy.

The projected settlement between the Norwegian Government (NORTRASHIP) and Norwegian shipowners for the wartime requisitioned merchant fleet involves the largest financial transaction in Norwegian History. Total wartime earnings of NORTRASHIP were 2,346,000,000 crowns, apart from some 70,000,000 pounds sterling of insurance recoveries. If Parliament (Storting) and the shipowners representing 80 percent of tonnage accept the settlement proposed by the Government Commission, as seems probable, the insurance funds will be paid to shipowners in foreign currencies as listed in insurance contracts. (A late telegram reports that owners of more than 80 percent of the fleet tonnage have accepted the proposed settlement which now goes to the Storting for approval. The owners expect prompt approval thus clearing the way for actual execution of the plan.)

Prime Minister Gerhardsen declared in a May 1 speech that the Government's program for redistribution of national income by increasing wages and reducing profits through price control and restrictions on dividend payments to 5 percent per annum had been completed. Further wage increases would be confined to necessary readjustment between major labor groups, or based on increase in labor productivity. He indicated that development of hydroelectric power projects is planned in advance of current requirements to stimulate industrialization of Norway. The Government, accordingly, has announced planned expenditure of 100,000,000 crowns to complete the Aura power station, expanding power production by 220,000 kilowatts. The completion of the Aardal project, started by the Germans during the occupation, would provide power for a proposed Government owned and operated aluminum plant. A special Government-appointed commission recently submitted a proposal to the Storting for a national iron and steel industry costing more than 200,000,000 crowns, and with a rolling-mill capacity of 200,000 tons per year, using surplus power from the State-owned Glonfjord power station.

The financial relief promised to insurance companies, necessitated by reduction in interest rates on Government bonds, under the "cheap money" policy, prompted the Minister of Social Welfare to announce appointment of a commission to study the desirability of nationalizing the insurance companies.

Latest monthly foreign-trade figures (Central Statistical Bureau) show exports still mounting steadily; March 1946 shipments were valued at 74,900,000 crowns, against 71,700,000 the preceding month, and a postwar low of 11,100,000 crowns in July 1945. March imports jumped to 116,000,000 crowns, compared with 86,000,000 the preceding month (the postwar monthly low), and a postwar high of 210,000,000 in August 1945. March 1946 exports included principally: pulp and paper 23,300,000 crowns; fish products 18,500,000; nitrate fertilizers 10,300,000. Chief import items in March were: Coal and petroleum products 15,900,000 crowns; grain 13,000,000; iron and steel 9,300,000; fruit 7,900,000; electrical equipment 4,500,000; textiles 5,400,000; grain products 4,000,000; sugar 3,100,000; and machinery and equipment 3,600,000. The chief export markets were Denmark, Sweden, Great Britain, and Germany (fish), whereas the principal supplying countries were the United States, Great Britain, Sweden, and Canada, in the order named.

The Norwegian authorities continue the strict control of imports, and are particularly severe in restricting imports from the dollar area, in order to conserve dollar exchange for essential products that cannot be acquired elsewhere (such as coal, petroleum products, and grain).

Palestine

Exchange and Finance

Government Finances.—During the first 9 months of the 1945–46 Palestinian fiscal year (April through December 1945), government revenue totaled £P12,500,000, whereas expenditures amounted to £P12,390,000, according to a dispatch from the American Consulate General in Jerusalem.

License fees and taxes accounted for 43 percent of total income, or £P5,380,000, and the revenue from customs was £P3,410,000, or 27 percent. Under expenditures, £P4,560,000 were used for war services; £P2,210,000 for police; £P770,000, loans from public funds; £P610,000, posts and telegraphs, £P470,000, current public works; £P430,000, education; and £P420,000, health. These

seven items on the list of expenditures constitute 76 percent of total outlay for the period.

Not included in the above figures is the surplus from ports and railways, which is estimated at £P97,000 for the 1945–46 fiscal year.

Peru

Airgram From U. S. Embassy, Lima

The over-all food-supply situation in the Lima-Callao district is somewhat alleviated, with larger stocks of fruits, garden vegetables, tubers, rice, and meat. Intensified efforts now being made to promote wheat production are expected to increase this year's yield by 10,000 metric tons in the coastal valleys. As a further measure to encourage production, the Ministry of Agriculture has been authorized to buy domestic wheat supplies which may remain unsold because of transportation difficulties. A very good rice crop of 100,000 tons is forecast for 1946 and is expected to cover national requirements with a small margin available for export. According to a decree of May 15, the entire 1946 rice crop will be purchased by the Peruvian Government, except in Arequipa, Cuzco, Puno, Apurimac, Moquegua, and Tacna, at the prices of 55 soles per 300 pounds of unhulled white rice and 38 soles for unhulled pink rice. In order to stimulate potato production, the forthcoming crop has been freed from sales control by an executive order of May 29; however, retail ceiling prices have been established for Lima, Callao, and their suburbs.

Despite labor shortages and strikes, prospects for sugar and cotton are favorable in consequence of propitious climatic conditions, remunerative prices, and lack of insect pests. The final cotton-crop report by the Lima Cotton Chamber placed 1945 production at 1,532,357 quintals, compared with 1,459,858 quintals in 1944.

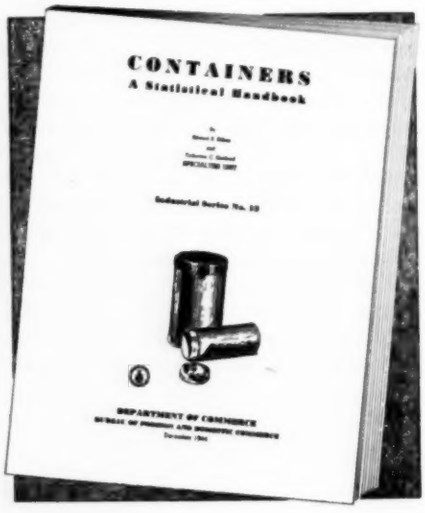
Sugar-crop estimates have been revised downward from 406,000 metric tons to approixmately 380,000 or 400,000 metric tons, chiefly as a result of labor difficulties.

Peru has fufilled its dried-beans contribution of 2,500 tons to UNRRA.

In the transportation field, authorization was granted to the TACA Airways of Colombia for the operation of an international air-line service through Peruvian territory, and to the Peruvian Air Transport Co. for the establishment of service between Tingo Maria on the Central Highway of Peru and river ports on the Ucayali and Huallaga Rivers; from Quince Mil to Madre de Dios; and from Lima to small southern coastal towns. Multimotored planes are required in commercial aviation services in Peru, according to a decree of May 8, except for permission to use single-motored aircraft in certain cases. Forty-five additional busses are expected to be placed in service shortly for the Lima municipal transport fleet. To improve the postal and telegraph services, a bond issue of 10,000,000 soles was approved by law No. 10568 of May 5, 1946.

Among important legislative measures, approval was given by the Chamber of Deputies to a bill providing for the organization of a National Economic Congress, a body intended to act in an advisory capacity on economic and social problems.

Industrial activity is at a high level. The labor situation became easier following settlement of difficulties in the Chicama Valley, in the Cerro de Pasco mining district, and in various manufacturing plants. By law No. 10570 of May 5, 1946, the Government was authorized to grant petroleum concessions in oil-land districts reserved for the State, subject to Congressional approval. General construction activity was maintained. Expenditures of 18,400,000 soles were approved for school-building construction in the course of 5 years, beginning in 1946, and 1,000,000 for improvement of the water-supply systems in Chiclayo and Pimentel. Municipalities throughout the Republic were authorized to float bond issues in accordance with their financial possibilities for construction of dwellings for manual workers and white-collar employees. Approval was given by the House of Representatives to a bill submitted by the Government for a $5,000,000 loan for highway construction, to be secured by the gasoline consumption tax.



Import licenses granted in March amounted to 64,900,000 soles, compared with 76,500,000 in February and 82,800,000 in January. These licenses covered principally machinery, motor vehicles, construction materials, raw products for industrial uses, textiles, foodstuffs, pharmaceutical specialties, and miscellaneous commodities. These restrictions resulted in an improvement of the foreign-exchange holdings of the Central Reserve Bank of Peru.

The general upward trend in prices continued uninterruptedly. The wholesale price index rose from 237 in January to 242 in April, and the cost-of-living index from 211 to 215.

Poland

Tariffs and Trade Controls

Export of Art Objects Subject to Licensing.—The exporting of objects of art without a license has been prohibited by the Polish Government by a decree published in the Polish Journal of Laws of May 4, 1946, according to a press report transmitted by the American Embassy in Warsaw on May 10, 1946.

The decree also requires the registration of such objects within the country. Objects which are the product of living creators, articles of applied art created after May 9, 1945, and printed matter originating after the year 1800 are exempt. The decree is intended to halt wholesale export of objects of art from Poland, which would leave Poland devoid of many beautiful and valuable treasures. High and severe penalties for violators are foreseen in the decree.

Portugal

Tariffs and Trade Controls

Trade and Payments Agreements with the Netherlands Concluded.—Trade and payments agreements between Portugal and the Netherlands were signed on March 4, 1946, according to a report of March 15, from the United States Embassy, Lisbon.

Although the official text of the agreement has not been published, a press announcement by the Portuguese authorities states that the agreement sets up quotas on specified products, the exportation of which the two Governments undertake to authorize.

The list of Portuguese products to be exported to the Netherlands include goat and sheep skins, antimony, cork, and cork products, glass, slate, resin, tin, files, juniper berries, whale oil, wines, and salt. Exports of Portuguese colonial products,

are to include timber, wax, fish meal, cacao, sisal, and cottonseed.

Exports from the Netherlands to Portugal are to include linen, rayon yarn, fishing nets, pharmaceutical products, pig iron, machinery, sugar beet, flax, flower and vegetable seeds, oatmeal, condensed milk, and potatoes.

A mixed commission is set up to supervise quotas and to modify them as the occasion may call for.

This trade agreement, together with the payments agreement, is to remain in effect for a period of 1 year.

Spain

Tariffs and Trade Controls

Trade and payments agreement with the Netherlands concluded.—A trade and payments agreement between Spain and the Netherlands was concluded on January 25, 1946, according to a report of February 26 from the United States Embassy at Madrid. The agreement provides for the exchange of traditional export products of the two countries up to the amount of 15,000,000 pesetas in each direction.

According to a publication issued by the Ministry of Commerce and Industry, the Netherlands agrees to grant licenses for exports to Spain of the following products (values in pesetas): Potatoes (4,500,000); sugar-beet seeds (2,500,000); radio equipment (4,000,000); and "miscellaneous" (4,000,000).

In return, Spain agrees to authorize exports to the Netherlands, of oranges, mandarines, and lemons to the value of 9,000,000 or 10,000,000 pesetas, the remainder of the 15,000,000 pesetas to be allotted to wines and liqueurs, forestry products, glassware, and miscellaneous.

With regard to financing these exports, each country establishes a credit in the name of the other for the amount of 15,000,000 pesetas. At the end of 6 months, a settlement of mutual obligations is to be arranged. If, during this period, the volume of trade exceeds the anticipated amount, the two countries will consult with regard to raising the above-mentioned limits.

Switzerland

Tariffs and Trade Controls

Clocks and Watches: Complete Control of Exportation and Industry Provided.—Beginning January 1, 1946, and effective for 3 years, a more complete control of the sale, manufacture, and exportation of watches, watch parts, watchmaking machines, and the like, was set up in Switzerland by a decree of the Federal Council of December 21, 1945; protecting the Swiss watch industry, and published in Recueil des Lois Fédérales of December 27.

Besides regulating the control of exports, the decree prohibits the opening of new watch concerns, as well as the enlargement, transformation, or removal of concerns already in existence without prior authorization from the competent authorities. Control of watchmaking in homes is set up; selling and purchasing any watch products below rates established by the conventional watch organizations are prohibited.

So far as exportation is concerned, the decree provides that:

The sale with a view to exportation, the exportation, and the sale to a customer abroad, of ébauches, subassemblies, and all parts for clocks and watches, consisting either of detached or assembled parts, as well as of cases, watch movements, or watches, clocks, small clocks, and alarm clocks (tariff Nos. 638a, 925–236 1) are subject to a permit.

Export permits are granted by the Swiss Watch Chamber or by the Swiss Watch Fiduciary (Fidhor).

They may be granted only for deliveries conforming to the colective convention enacted by the watch organizations and the statutes and prescriptions of the Association of Swiss Manufacturers of Roskopf Watches. The permits granted by the Chamber or by Fidhor may be utilized only during a period of 2 months from the date of issue.

To obtain these permits, enterprises or persons not affiliated with the conventional organizations (Swiss Federation of Associations of Watch Manufacturers (F. H.), Union of Annexed Branches of the Watch Industry (Ubah), Ébauches (S. A.) or to the Association of Swiss Manufacturers of Roskopf Watches, must prove, on the basis of a written declaration, that they agree to pay their workers the salaries and other social benefits (holidays and various allocations) fixed by their branch.

The Department of Public Economy may, after having taken the advice of the conventional organizations and the Association of Swiss Manufacturers of Roskopf Watches, empower the Chamber to refuse or authorize other exportations according to conditions fixed by it.

The granting of permits can be subjected to payment of a fee in order to cover expenses, including those arising from the control provied by the present decree.

The sale with a view to exportation, the exportation and the sale to a customer abroad of dies and tools of all kinds, new as well as used, for the manufacture of ébauches, cases, parts, or related products, as well as drawings for the construction of gages and the designs of tools used in watch manufacture, together with all apparatus serving for the assembling and adjustment of the aforesaid ébauches cases, parts, or related products, are subject to a permit.

The permits are granted by the Chamber, and only for deliveries which are not contrary to the general interests of the watch industry. These permits have a validity of 2 months. The granting of such permits may be subjected to the payment of a fee.

Shipments of parts for the repair of watches are equally subject to permit. However, shipments sent by letter post which are not accompanied by an export declaration are exempted from an export permit, when the actual value does not exceed 10 francs, maximum, of a single order.

A person who buys one or several watches in Switzerland for his personal use abroad or to make gifts abroad need not comply with the formality of an export permit.

It is prohibited to sell or to deliver to a person whose name and commercial domicile are unknown to the seller, or to forward to a third person for the account of such a person, merchandise the exportation of which is subject to a permit.

The delivery or the forwarding to a third person in Switzerland of merchandise mentioned in the preceding paragraph for the account of a buyer having his commercial domicile abroad is authorized only if the seller has obtained the export permit.

United Kingdom

Airgram From U. S. Embassy at London

British production and trade in civilian commodities continue their upward trend, although impeded by insufficient labor in various branches of industry. Many manufacturing and assembling operations are being delayed by lack of semifinished materials and parts. However, progress is gradually being made in dealing with the various bottlenecks, as more labor becomes available through the demobilization channels. Employment in manufacturing industries for home civilian and export purposes at the end of March was greater than at the middle of 1945 by 2,368,000 workers, whereas employment in manufacturing for export alone is estimated to have increased by 759,000.

Expansion of the labor supply does not, of course, keep pace with the releases from the Armed and auxiliary services, as separation leave intervenes. Some ex-service men and women are undergoing training at Government training centers, and there is some unemployment among insured workers, owing largely to the reconversion of industry. The Minister of Labour explained in the House of Commons on April 9 that, although the demand for labor generally exceeds considerably the supply, there is, nevertheless, some unemployment "due to turn-over of labour, seasonal variations in particular industries, and to pockets of unemployment arising in certain districts where there are local shortages of suitable work."

Unemployment, which increased among insured workers in Great Britain to 371,900 in March and declined slightly in April, was also the subject of debate in the House of Commons on May 3. The Minister of Labour pointed out that the March total represented only 2.7 percent of the population insured against unemployment, while the general position was one of shortage of labor. He

evidently was more concerned about unemployment in Development Areas in which construction for new industries was undertaken on a large scale several years before the war. Development schemes under way or approved for the Areas are expected to afford employment for 217,000 persons by way of diversification of industries of the Areas. In allocating an additional £10,000,000 for the projects, the Chancellor of the Exchequer stated in his budget speech on April 9 that the development schemes would not be permitted to fail for lack of finance.

Export trade in April reached £69,363,000, the highest value for any month since hostilities ceased. The increase over the value of March exports was £2,305,000, or 3.4 percent. The advance in the manufactured goods class was £2,953,000, and there was a small increase in raw materials, whereas shipments of food, drink, and tobacco declined by 9.7 percent to £4,920,000. Imports in April, £97,852,000, were less than in March by 5.4 percent, owing mainly to declines in several food groups from relatively high 1946 totals for March. Reexports were reduced by 18.8 percent to £3,753,000 for April.

Other outstanding developments in the British economic sphere since the end of the first quarter were the presentation of the Government Budget on April 9 and the Government's announcement on April 17 of its decision to effect "a large measure of public ownership" of the iron and steel industry.

The Budget estimates for 1946–47 anticipated ordinary expenditure at £3,887,000,000, ordinary revenue at £3,161,000,000, and a resulting deficit of £726,000,000. These Budget estimates include on the expenditure side £50,000,000 for the "war memorial" National Land Fund, while the total for revenue contemplates nonrecurring items of £150,000,000 from the sale of surplus war stores and £50,000,000 as surplus receipts from trading activities of Government Departments.

In general, the Budget was well received in business circles. The repeal of the Excess Profits Tax from the end of the present calendar year was welcomed as a stimulating influence on industrial development. On the other hand, the retention of the National Defense Contribution and renaming it "Profits Tax" is considered to suggest permanence for this form of taxation. It is chargeable at the rate of 1 shilling in the pound upon profits prior to distribution. Furthermore, there is some feeling of uncertainty on the matter of Excess-Profits Tax, as a result of the Chancellor's statement that consideration would be given as to whether a substitute tax next year might be desirable to check "unfortunate practices connected with the use made of business profits." He stated that "many of the most efficient and up-to-date concerns have responded very well" to his invitation issued to industry last fall, "to plough back increased profits rather than to distribute them to shareholders," but that the general response had been "very patchy." (The E. P. T. was reduced in the autumn budget from 100 percent to 60 percent, effective January 1, 1946.)

As usual, the Chancellor preceded his budget speech with a statement of the results of the past financial year. Total ordinary revenue for 1945–46 reached £3,284,500,000, as compared with £3,238,100,000 for 1944–45. Total expenditure amounted to £5,491,200,000 as against £6,073,800,000 in the preceding year (both inclusive of new sinking fund outside of debt charge).

The Government's decision to introduce legislation to effect "a large measure of public ownership" of the iron and steel industry has been the subject of much criticism by the opposition in Parliament and in industrial circles. The opposition to public ownership is based not only on principle but also on the unsettling effect of the proposal on an industry now operating at peak level and prepared to spend £168,000,000 over the next 7½ years for modernization. There is much complaint against the lack of information as to the degree and scope of the Government's intentions with respect to the industry.

On the other hand, the Minister of Supply stated in Parliament on May 20 that 20 of the more-urgent schemes, involving the sum of £48,000,000 for the modernization of the steel industry, had been approved and firms have been asked to supply the details necessary for the issuance of licenses. This is in addition to 27 schemes, to cost £16,000,000, previously approved and for which licenses have already been issued.

Inasmuch as it is expected that considerable time will elapse before the necessary legislation is prepared, the Government is to replace the Iron and Steel Control with a Board of Control to supervise the industry in the interim period, to facilitate the execution of the development schemes and to advise the Ministry as to the sections of the industry to be taken into public ownership.

The Grand Council of the Federation of British Industries has criticized the Government's announcement as diverting attention from the production drive and tending to defer industrial developments.

The Council of the British Iron and Steel Federation, assembled to discuss the Governments' proposal, approved a statement in opposition "to the nationalization of any section of the group of industries commonly known as the iron and steel industry," while observing that the Council was not opposed to public supervision of the industry.

The British Iron and Steel Federation's monthly statistical bulletin for April states that the iron and steel industry is "the first of the great industries of the country to have exceeded the 1938 volume of exports in each month of this year."

The Imperial Chemical Industry has announced its intention to expand its dyestuff interests at Manchester, Huddersfield, and Grangemouth. When completed, the development project, estimated to cost £9,000,000, is expected to provide employment for an additional 2,000 workers. It is stated that £8,000,000 of the total will be spent on the expansion of manufacturing facilities at Blackley and Trafford Park (Manchester) and at Grangemouth (Stirlingshire), and on developments largely concerned with the production of intermediates, the halfway stage between raw materials and finished dyestuffs, at Huddersfield. The remaining £1,000,000 is to be expended on extending facilities for research and testing at Blackley, the headquarters of the I. C. I. Dyestuffs Division.

This is the second major industrial project announced by Imperial Chemical Industries within 6 months, the first being the £10,000,000 development program for the production of heavy organic chemicals from coal and oil and installations for the manufacture of sulfuric acid, an electrolytic chlorine-caustic-soda plant, and a vacuum salt plant near Middlesbrough.

The first report of any of the working parties appointed last year by the president of the Board of Trade to be issued is that of the Party which studied the pottery industry. The report, published on May 23, says that while "the present state of the industry is not wholly satisfactory, it has retained sufficient strength and enterprise to set itself on its feet without the intervention of the Government in the operation of free competition." It found that conditions in the British industry were adversely affected during the years between the two wars by the world depression and the growth of protected manufactures abroad. However, it remained internationally competitive with foreign exporters and is thought to be one of the British industries most likely to achieve a 75 percent increase in the volume of its exports. Such expansion, however, is thought to be dependent upon increased output and improvement in quality.

New types of plants at particular stages of production are held to offer

economies in output, but improved layout is thought to be of even greater importance. It is stated that firms are aware of the necessity for improvements in this regard and are taking steps to accomplish them. The need for additional capital beyond the liquid resources of the firms is indicated. The useful life of factories, it is suggested, should be calculated at not more than 25 years in order to allow for progress. The report asks that the reequipment process be hastened by insuring "a proper degree of priority to the provision of the machinery for the reequipment of the British pottery industry." More skilled engineers, consultants, and other research staff are advocated, and rigorous enforcement of more stringent factory legislation is advised to improve working conditions and attract workers.

The British Industries' Fair is to be held in May 1947, according to an announcement by the Export Promotion Department of the Board of Trade. More favorable weather conditions in May account for the change from the prewar practice of staging the event in February and March. As heretofore, the Fair will be divided between London and Birmingham.

The holding of an international exhibition in London in 1951, the centenary of the great International of 1851, is advocated in a report of an oversea trade committee published in April. The exhibition should be held, according to the report, "to demonstrate to the world the recovery of the United Kingdom from the effects of the war in the moral, cultural, spiritual, and material fields."

Transport and Communication

Port Improvements, South Wales.—Development schemes enumerated by the Great Western Railway Co. for the development of its railway and dock systems in South Wales in January involve the expenditure of about £3,000,000 ($12,075,000 at the current rate of exchange), according to the British press.

The first urgent need is drydocking facilities for accommodating the large types of cargo vessels now being constructed. As a first step it has been decided to widen the existing entrance and center caisson of the commercial drydock at Barry to a width of 80 feet, and to consider the desirability of providing improved repair facilities at Cardiff docks at a later date in the light of future experience.

It was also proposed, in collaboration with the ship-repairing interests, to allocate berths at each port solely for ship repair work and to provide oil-separating

(Continued on p. 49)

Greece's Aromatic Tobacco: Possibilities and Enigmas

(Continued from p. 13)

Unmanipulated Tobacco Stocks (1944 and 1945 Crops) in Hands of Growers

Region	Stocks	
	Amount	Percent
	Metric tons	
Eastern Macedonia and Thrace	22,000	72
Central and western Macedonia	4,200	14
Thessaly-Phthiotis	900	3
Attica-Boeotia and islands	500	1
Aetolia-Acarnania-Epirus	2,000	7
Peloponnesus	1,000	3
Total	30,600	100

Leaf Prices

Because of drastic changes in value of the Greek currency, tobacco price data are highly unsatisfactory. The uncertainty of the value of the drachma has materially affected the movement of tobacco supplies from producers to buyers. With the official rate of 5,000 drachmas to 1 dollar fixed on January 31, 1946, as contrasted with the previous rate of 500 to $1, and with the open market rate rapidly rising since late spring of 1945, trading in tobacco, as is the case with all other commodities in Greece, has been on a hand-to-mouth basis. Producers sell only sufficient tobacco to obtain drachmas to meet their current needs for food, clothing, and other supplies. Lack of confidence in the value of the drachma has caused the grower to refrain from holding drachmas for any length of time or in any sizable amounts.

The average 1935–38 price of unmanipulated tobacco was $0.205 per pound. This was for the lower grades of tobacco used principally for local manufacture. The average price of manipulated tobacco exported during the same period was $0.375 per pound. Stocks recently purchased by American firms were acquired at the price of $1.15 per pound f. o. b. Kavalla. This price was established by agreement between the Greek Government and the American buyers.

Foreign Trade

Tobacco accounted for more than one-half of the total value of Greek exports in prewar years, although only for 16 percent of the total tonnage. Prior to the war, almost 50 percent of Greek tobacco exports went to Germany. The next largest volume was exported to the United States. The destinations of these shipments in 1937 and 1938 were as follows:

Greek Tobacco Exports, 1937 and 1938

Country	1937		1938	
	Volume	Percent of total	Volume	Percent of total
	Metric tons		*Metric tons*	
Total	42,193	100	48,994	100
Germany	18,658	45	25,823	53
United States	9,378	22	6,948	14
United Kingdom	205	(1)	503	1
Other countries [2]	13,952	33	15,720	32

[1] Less than 1 percent.
[2] Includes 13 other European countries.

Source: Greek Government statistics.

Greece will probably have to depend upon different markets for the disposition of tobacco stocks in the near future. Through an agreement between the two Governments, the United Kingdom is reported to have purchased more than 1,000 metric tons of Greek tobacco in 1939 and 1940. An estimated 100,000 metric tons were confiscated by the invaders during the 1941–44 period.

Foreign trade in tobacco in 1945 was most difficult. Prior to the war the value of 1 oka (2.83 pounds) of tobacco was equivalent to that of 3 to 4 okas of sugar. During 1945 the value of 1 oka of tobacco dropped as low as 0.25 of an oka of sugar. This fact, together with many complications in the manipulation, storage, and processing of tobacco stocks on hand, almost completely paralyzed the acquisition and shipment of Greek tobacco to foreign countries.

Uncertainties Ahead

Because of the difficulties experienced by tobacco buyers in the purchase of the product through the Government, no stocks were acquired until the latter part of 1945, at which time about 4,150 metric tons were bought. The disposition of the 1945 tobacco crop of 24,000 metric tons, which is still in the hands of the growers, will depend very largely upon the future stabilization of the drachma and the ability of the Greek Government to cooperate with the buyers in their efforts to acquire the product in quantities for export.

Tanneries in Palestine produced 1,450 tons of sole leather and approximately 1,763,000 square feet of chrome and vegetable-tanned cattlehide upper leather during the first 9 months of 1945. The total output of utility shoes during that period was 299,503 pairs.

News by COMMODITIES

Automotive Products

U. S. Supplies Bulk of Motorcars, Palestine

The United States supplied 80 percent (value £P266,706) of the motorcars and parts imported into Palestine in 1945; 14 percent was supplied by Great Britain and 6 percent by Canada.

Exports From U. K.

Exports of motorcycles from the United Kingdom in the first 2 months of 1946 reached a total of 6,613 valued at £370,988. The value of shipments of parts and accessories was approximately £129,000, according to the foreign press. The average monthly shipments in 1938 totaled 1,648 motorcycles.

The goal for the first half of 1946 is to export 60 percent of the motorcycles produced in the United Kingdom.

Fifty percent of the production of private motorcars in the first half of the year has been allocated for export.

Beverages

Canadian Hop and Beer Production

Canadian hop production in 1945 amounted to 1,728,000 pounds grown on 1,962 acres, a reduction of about 13 percent from the 1,991,600 pounds produced in 1944. The average yield of 881 pounds per acre was 17 percent lower than the yield of 1,061 pounds in 1944.

Hop consumption in Canada per gallon of beer produced has been diminishing steadily for a number of years. However, almost continuous expansion of beer production has more than offset the lower rate of hop usage so that hop consumption by the brewing industry has followed a generally upward trend.

In 1944 beer production in Canada reached 133,396,351 gallons, a level never before achieved. About 3,548,521 pounds of hops were used, only slightly less than the record consumption of 3,713,413 pounds in 1942.

Imports of hops into Canada totaled 2,070,000 pounds during the crop year ended September 30, 1945; during the calendar year 1945 they amounted to 2,346,000 pounds. During the first 4 months of the crop year which began October 1, 1945, imports of hops were up to 2,555,000 pounds. All originated in the United States. The rate of hop imports during the current crop year is the heaviest in many seasons.

French Morocco's Wine Requirements

Wine production in French Morocco during 1945 was less than 250,000 hectoliters (1 hectoliter=26.42 gallons) as compared with more than 500,000 hectoliters in 1944.

Inasmuch as the monthly ration of ordinary wine is 15 liters for men, 10 for women, and 5 for children (fine wines are unrationed), totaling about 40,000 hectoliters per month, Morocco's minimum needs are about 500,000 hectoliters a year. About 300,000 hectoliters will be imported from Algeria in 1946, and stocks in the country remaining from the 250,000 hectoliters imported in 1945 amount to about 150,000 hectoliters.

Conditions in Wine Industry, Union of South Africa

The South African 1945 vintage amounted to about 71,349,860 U. S. gallons, as compared with the all-time record of 77,437,405 gallons.

Production in 1945 continued to be hampered by the severe shortage of farming implements, fertilizers, and farm labor. The lack and high cost of building materials, for the construction of suitable cellars also retarded the production of good wines. The tendency of producers to concentrate on distilling wines suitable for making rebate brandy, at the expense of the production of good wines, for consumption as such, was more apparent in 1945 than in previous years.

Curtailment of wine exports during the war years was compensated for by an unexpected and heavy domestic consumption, resulting in no accumulation of stocks. Great difficulties were experienced in maintaining adequately and properly matured stocks, and it is evident that the stock position will not allow a rapid satisfaction of demand. The domestic demand for wines and spirits remained exceptionally buoyant throughout 1945 with no signs of abatement.

It has been indicated by officials of the Co-operative Winegrowers Association, that 1945 was the best year for exports since 1940 and that the quantities were limited only by the availability of shipping space. Monthly exports of 60,000 imperial gallons of wine were sent to Great Britain throughout the year, and an order for 149,000 gallons of wine and 20,000 gallons of brandy was shipped to Sweden.

Decline in Wine Production, Uruguay

The year 1945 proved to be unfavorable for Uruguayan viniculturists, as grape production declined to 81,529 metric tons from 110,515 tons in 1944 and 121,726 tons in 1943. Wine production totaled 53,100,000 liters compared with 71,800,000 and 77,300,000 liters in 1944 and 1943, respectively.

Dutch Technological Advance Spurred by Oil Company's Gifts

Gifts of more than 4,000,000 guilders have been made to educational institutions in the Netherlands by a large petroleum company. Three gifts of 1,000,000 guilders each were made to two universities for the following projects: Construction and installation of a physical laboratory for the Leiden University to renew the famous Kamerlingh Onnes Laboratory; construction and installation of a laboratory for physical technology at the Technical University of Delft; extension and installation of the laboratory for chemical technology at the Technical University of Delft. The remainder of the total donation will be used for scholarships for students at the various Netherlands universities.

Chemicals

Trade in Ammonium Sulfate, Canada

In 1945 Canada exported 181,189 tons of ammonium sulfate, worth $6,179,877 (Canadian currency), according to a Dominion chemical publication.

Factory sales by producers amounted to 225,085 tons, valued at $6,680,893. Stocks at the end of 1945 were 11,122 tons.

Supply of Argentine Synthetic Resins

Synthetic resins for Argentina's textile, plywood, and plastics industries were in very short supply in 1945. Domestic production of phenol and cresol-formal-

dehyde molding resins was sporadic and entirely dependent on supplies of imported raw materials.

Although the domestically produced resins were used in substantial quantities, the trade has indicated that this industry may not continue when imports of molding powders from prewar sources are freely available. The domestic product is said to vary in molding characteristics and to have a limited color range.

Australia's Imports of Phosphate Rock

Australian imports of phosphate rock in January 1946 amounted to 1,063,000 hundredweight (112 pounds), worth £132,000, according to the Commonwealth Bureau of Census and Statistics.

Imports of this material for the 7 months ended January 1946 totaled 8,033,000 hundredweight, valued at £974,000. The largest amount (6,301,000 hundredweight) came from North Africa, and the United States furnished 1,127,000 hundredweight, worth £100,000.

Fertilizer Exports Increase, Canada

Canadian exports of fertilizers in March 1946 increased more than 30 percent in value when compared with shipments during March 1945, according to the Dominion Bureau of Statistics They amounted to $3,141,000 and $2,372,000 (Canadian currency), respectively.

The value of exports in the period January–March 1946, totaling $8,993,000, also was higher than in the like period of 1945 ($7,698,000).

Developments in Industry, Finland

Substantial progress has been made by the Finnish chemical industry in recent years, and intensive research is being carried on to make maximum use of all chemicals available.

The cellulose industry is the largest in the chemical group, and use of the large quantities of sulfite lye obtained in producing cellulose is one of the principal concerns of the industry. About 2 or 3 percent is utilized in making sulfite alcohol and yeast.

Of considerable importance is the electrolysis of salt; from this process caustic soda for bleaching cellulose and chlorine are obtained. The four plants producing these materials are located at Kymene, Aetsa, Enso, and Pitkaranta. (The last two are in territory ceded to the Soviet Union.) The shortage of salt and electrodes has hindered manufacture, but the plants at Kymene and Aetsa are again in operation.

Supply of Sodium Nitrate Increased, Egypt

Egyption imports of sodium nitrate or its equivalent, after reaching a low point for the war years of 139,000 metric tons in the period July 1943 to June 1944, increased to 315,000 tons in 1944–45. The fertilizer was allocated, as in earlier war years, to various crops by the Joint Anglo - American - Egyptian Fertilizer Control Committee. Most of the major crops benefited substantially from the increased supply of fertilizers.

Imports of nitrogenous fertilizers for 1946 crops are expected to remain at about the same level as in the preceding year.

U. S. Department of Agriculture to Buy Frozen Eggs for Britain

A program for the purchase of approximately 32,000,000 pounds of frozen eggs for the United Kingdom has been announced by the USDA. The total requirement calls for nearly 36,000,000 pounds, but it may be filled in part with frozen eggs purchased earlier this year by the Department under price-support operations. The entire quantity will be used for distribution to commercial bakers and other food manufacturers in England.

Purchases will be made on an offer-and-acceptance basis under a new purchase program (PY–6) of frozen eggs processed under authorized supervision in April, May, or June. Offers of the eggs will be received by the USDA beginning June 12, and each Wednesday thereafter until further notice. Acceptances will be announced each Friday following June 12.

Processors who sell frozen eggs under this purchase program will be required to pack the eggs for export in new tin containers holding 30 pounds each. To give processors an opportunity to obtain the new 30-pound containers, and the outer carton in which they must be packed for export, deliveries of the frozen eggs will be accepted *through June, July, and August.*

Production of Dry Phosphate Rock, French Morocco

French Morocco's production of dry phosphate rock in 1945 approximated 1,625,000 metric tons, a moderate increase from the preceding year's total of 1,445,000. Output in the fourth quarter of 1945 is estimated at 462,096 tons, compared with 469,386 tons in the third quarter. The decrease was due largely to the fact that it was near the end of the sun-drying season (about October 1). Production in the fourth quarter of 1944 was 313,000 tons.

Larger shipments of rock from mining centers to Casablanca and Safi were possible in the last quarter of 1945 as a result of the marked improvement in the supply of electric power. Exports, therefore, were greater than in any previous quarter of 1945, but rail and export shipments for the year did not greatly exceed total production.

Flotation Process Used in Production of Sulfur, France

The Société Languedocienne de Recherchés et d'Exploitations Minières plans to produce 35,000 metric tons of ore in 1946 from sulfur deposits at Malvezy, near Narbonne, according to a foreign chemical publication. By flotation, the surfur content will be enriched to 30 percent. Mining began in 1944, and the flotation process was started in 1945.

The company states that this year's output of the enriched product will be equivalent to 30,000 tons of brimstone, a material now imported to protect vineyards.

Casein Production, New Zealand

Casein production in New Zealand reached a record figure of 1,200 long tons in the year ended March 31, 1945, according to the Department of Industries and Commerce. About 400 tons were used by domestic industries and the remainder was exported.

Sicilian Production of Sulfur

Progress was made in 1945 in restoring production in Sicilian sulfur mines. At the end of the year, 50 were being worked and 75 were reported in good repair. Production was handicapped, however, particularly by the shortage of electric power, also by lack of materials and transportation. Crude-sulfur output in 1945 amounted to 53,690 metric tons, a substantial increase from the 1944 figure of 33,400 tons.

Construction

Commercial and Residential Building Project, Chile

Construction of a 17-story commercial and residential building which is expected to begin in July in downtown Santiago, Chile, will require 3½ years to complete.

The building will have a total constructed space of 84,000 square meters and a height of 66 meters. Premises for stores, a theater, garage, laundry, and facilities for heating and related services will be contained in the 2 basement

floors. The street floor will be divided into arcades providing 70 premises for stores, whereas the remaining floors will contain 650 apartments. The cost of the structure will be about 240,000,000 pesos.

Building Permits Issued, Colombia

Building permits issued in Medellin, Colombia, during the first quarter of 1946 increased to 624, valued at 5,887,450 pesos, from 456 permits, valued at 2,551,150 pesos, during the corresponding period of 1945. Permits issued during the first quarter of 1946 included a 5-story building to house a theater and offices, a 14-story building for stores, offices, and apartments, an 8-story bank building, and other office and apartment buildings.

Reconstruction Plans in France

Applications for building permits in France called for construction averaging 114,300 cubic meters monthly during the first 9 months of 1945, compared with 54,900 cubic meters monthly during the preceding 12 months, 79,200 during 1943, and 706,200 during 1938.

The number of buildings either damaged or destroyed during the war totaled 1,804,200, of which 442,800 were completely destroyed, according to the French Ministry of Reconstruction. The heaviest property damage was in the northwestern and northeastern departments of France. Estimates indicate that the total damage or destruction of buildings amounted to 18 percent of all property in France.

Reconstruction plans for 1946–47 include the following: Removal of all mines by the end of 1946; clearance of all rubble during the first part of 1946; reconstruction of between 10 and 20 percent of all damaged or destroyed dwellings; reconstruction of between 25 and 50 percent of destroyed industrial enterprises; and the building of from 30,000 to 60,000 new dwellings. It was reported in February 1946 that a total of 39,000,000 cubic meters of rubble had been cleared in 50 French departments and that about 20,000,000 additional cubic meters remained.

New Hospitals in Mexico

Construction of a municipal hospital, costing approximately 260,650 pesos, was started in April 1946 at Piedras Negras, State of Coahuila, Mexico. The cornerstone of another new city hospital was laid at Siudad Juarez, State of Chihuahua, on April 30, 1946. This project will cost 4,500,000 pesos.

Housing Program in Amsterdam, Netherlands

Construction of from 5,000 to 7,000 houses annually for a 10-year period is to be undertaken in Amsterdam, Netherlands, by the Municipal Building Service. This project is intended to relieve the critical housing situation caused by the almost-total cessation of construction during the 5 years of German occupation.

The housing shortage has become even more acute because many refugees from the Netherlands Indies, and other evacuated persons, wish to return to their native city. A municipal law has been passed forbidding persons (with certain exceptions) who have not previously resided in Amsterdam to establish their homes there at the present time.

Estimates indicate that at least 17,000 new dwellings are required at the earliest possible date, and from 50,000 to 70,000 houses within the next decade to make possible the demolition of thousands of older houses no longer suitable for use as residences. Although most of these will be for the low-income group, some 10,000 or more larger residences will be built on the outskirts of the city.

It was hoped that materials would become available so that the program could begin by the summer or fall of 1946.

Situation in Palestine

Building permits issued during 1945 within the town-planning areas of the four largest cities of Palestine represented 241,215 square meters of construction compared with only 82,911 square meters during 1944, an annual average of 75,000 square meters during the war years and 295,000 square meters annually during the period from 1932 to 1939.

Several housing agencies have been formed in Palestine, including the Jewish Agency and the General Federation of Jewish Labor in Palestine, both of which are directly or indirectly participating in the erection of dwellings in suburban and rural districts for the use of immigrants and persons released from military service. The Palestine Government has granted a loan of £P300,000 to the Municipal Corporation of Tel Aviv for housing purposes.

Activity in Montevideo, Uruguay

Construction permits (including repairs) issued in Montevideo, Uruguay, during 1945 were declared at a value of 40,773,000 pesos, compared with 25,853,000 pesos during 1944 and 14,423,000 pesos during 1943. The declared value of building activity was 182 percent greater during 1945 than in 1943, despite strikes, increased costs, and shortages of materials. It has been indicated, however, that the number of building permits increased only 34 percent from those of 1944.

The building boom apparently has been greatly influenced by the existence of large amounts of foreign capital in Uruguay. Relatively large numbers of modern apartment houses in the upper rent brackets were erected in Montevideo during 1945. Rental rates in these types of buildings were generally from 40 to 60 percent above prewar levels and showed a steady tendency to increase.

Turkish Figs Allocated to U. S. Importers

The Combined Food Board has recommended an allocation to the United States of 1,680 short tons of dried figs produced in Turkey for the 1946–47 marketing season. The figs will be allocated to American importers as follows: To persons or firms who imported Turkish figs during the base period July 1, 1936, to June 30, 1937 (or if none was imported by the applicant in that period, any other 12-month period since 1936–37), 80 percent of the total U. S. allocation will be allotted in proportion to quantities imported during that period by each applicant. To new importers, the remaining 20 percent will be allotted in the quantity requested, except that such an allocation may not exceed the smallest quantity allotted to an importer with historical record.

Electrical Equipment

Production of Electricity, Canada

Of the 10,148,888,000 kilowatt-hours of electricity produced by central electric stations in Canada in the first quarter of 1945, official statistics show that 9,899,027,000 were hydraulic and 249,861,000 were thermal.

Plans for Ceylon

By 1948, 35,000 kilowatts of electricity will be provided for Colombo City, Ceylon, under a hydroelectric plan which provides for a supply of electric power for the whole island. The foreign press reports that high priority is being given to this project which was scheduled for completion this year but was delayed by the war.

Proposed Power Station, Finland

A power station to be constructed in the Martola rapids of the Tyrva River, Finland, will generate 73,000,000 kilowatt-hours annually, which is one-tenth

the quantity generated by the Imatre power plant, the foreign press reports.

Production and Exports of Electric Energy, Italy

Production of electric energy in Italy during 1945, total 11,296,000,000 kw.-hrs., of which 8,854,000,000 were hydroelectric and 344,000,000 were thermoelectric. Energy imported amounted to 7,000,000 kw.-hrs.

Production fluctuated from 15,156,000,000 kw.-hrs. in 1939 to 16,393,000,000 in 1940, 17,734,000,000 in 1941, 17,253,000,000 in 1942, 15,750,000,000 in 1943, and 11,795,000,000 in 1944. Imports amounted to 213,000,000 kw.-hrs. in 1939, 252,000,000 in 1940, 231,000,000 in 1941, 247,000,000 in 1942, 191,000,000 in 1943 and 31,000,000 in 1944.

Plans for Extension of Power Plants in Turkey

Turkish authorities have formulated a long-range plan for the construction of coal-burning and hydroelectric power plants at key points in Turkey. If postwar development plans for an extensive expansion of its electrical power system materialize, the number of central power stations will be increased by about 33 plants, and the total capacity will be raised by approximately 1,190,000 kilowatts. Considerable interest has been shown by foreign manufacturers of electrical power equipment, but little progress in the construction of these plants is reported.

Plants Constructed in Tatar Republic, U. S. S. R.

Fifteen steam and nine hydroelectric plants were constructed in Tatar U. S. S. R., Soviet Russia, during the last half of 1945, in the use of collective farms and machine tractor stations, reports the Soviet press. The plan for 1946 calls for the construction of 59 steam plants and 66 small hydroelectric plants.

Montevideo's Supply of Electricity Increasing, Uruguay

Electrical energy distributed in 1945 by the government monopoly in Montevideo, Uruguay, increased 11 percent from the amount distributed in 1944. This trend, attributed to the continued growth of the city, is expected to continue to rise from 10 to 15 percent annually. Kilowatt-hours distributed in 1945 amounted to 310,215,368 compared with 279,071,689 in 1944 and 196,104,971 in 1943.

The thermal generating equipment was reported in bad condition during the last 9 months of 1945 when the efficiency of boilers was reduced by nearly 60 percent because of the use of substitute fuels. The receipt of spare parts and an improvement in supplies of fuel oil have since placed this equipment on a safe basis.

The first unit of the Rio Negro hydroelectric project, which went into operation in December, furnished 2,089,500 kw.-hrs. during that month. The daily supply is estimated between 18,000 and 20,000 kw.-hrs. Completion of the second power line is awaiting receipt of materials.

Foodstuffs and Allied Products

Arrowroot Exports Decline, St. Vincent, B. W. I.

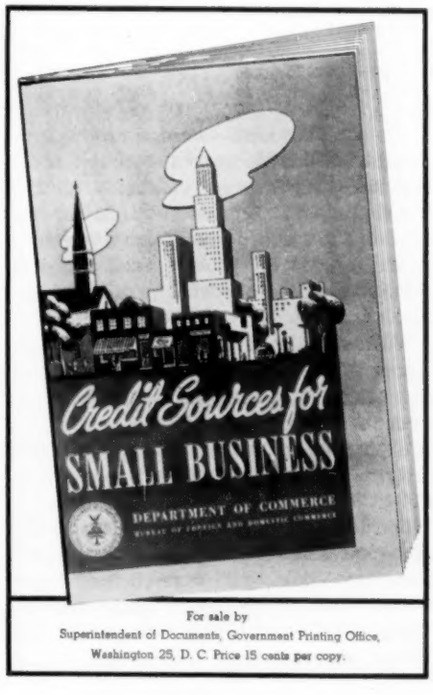
Exports of arrowroot from St. Vincent, British West Indies, which is about the sole source of world production, have fallen off considerably in the past few years. Shipments totaled 4,575,300 pounds in 1945 compared with 7,613,615 in 1943.

There are about 2,280 acres of arrowroot at present in the colony, yielding approximately 2,500 pounds per acre. Practically all of the output is sold to the United States.

Coffee and Cacao

Trinidad's Exports of Cacao, B. W. I.

Exports of cacao beans from Trinidad in March 1946 amounted to 890,081 pounds as compared with 970,977 pounds in the corresponding month of 1945. Shipments of in-transit cacao amounted to 600,000 pounds as against 865,592 pounds.



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Trinidad's original 1946 crop estimate of 12,000,000 pounds cannot be met; the colony can ship no more than 7,000,000 to 8,000,000 pounds. Exports from October 1, 1945, to March 31, 1946, representing the first half of the 1946 crop, amounted to 4,895,351 pounds, of which 2,400,195 pounds went to the United Kingdom, 2,327,000 pounds to the United States, and 168,156 pounds to other countries, principally European.

Stocks on hand March 31, 1945, amounted to 650,000 pounds.

Coffee Crop and Exports, Costa Rica

The yield of the 1945–46 Costa Rican coffee crop has been estimated at 325,000 quintals or 246,212 bags. This is about 45.53 percent less than the 1944–45 crop.

Coffee berries received at the beneficios from the 1945–46 crop (October 1, 1945, to February 28, 1946) amounted to 243,273 bags of processed coffee, as against 429,899 bags from the 1944–45 crop during the corresponding period of 1944–45.

During February, 27,413 bags of the 1945–46 coffee crop were exported compared with 49,599 bags in February 1945. Coffee shipped in February 1946 from the 1944–45 crop (which had been sold by October 1, 1945) consisted of 1,196 bags for the American quota and 743 bags for other quotas, or a total of 1,939 bags. Total exports to February 28, 1946, from the 1945–46 crop amounted to 39,797 bags, as compared with 66,966 bags to February 28, 1945.

Coffee Exports, Dominican Republic

Inasmuch as the 1945–46 Dominican coffee crop was estimated to be only 40 to 50 percent of the 1944–45 bumper harvest of 425,000 bags, it was expected that exports in 1946 would not equal those of 1945.

Exports of green coffee in the first 3 months of 1946 totaled 1,988,551 kilograms, valued at $616,218, as compared with 5,316,762 kilograms, worth $1,363,509 in the corresponding period of 1945. Exports of roasted coffee totaled 1,042,203 kilograms, valued at $454,029, as against 81,024 kilograms, valued at $21,253.

Conditions in Cuban Coffee Industry

The Cuban Coffee Institute has reduced its estimate of the 1945–46 crop to 500,000 quintals, or about 383,403 bags of 60 kilograms each (1 kilogram=2.2046 pounds), which is approximately 13 percent less than the 438,145 bags produced in 1944–45 and about 25 percent less than the average annual crops in 1939–44.

Consumption of coffee in Cuba in the first quarter of 1946 continued at the same high level as in the preceding year as a direct result of increased purchasing power. The Coffee Institute estimates that consumption will average about 45,-

Mahogany Lumber from Latin American and African Logs: Mill Ceilings Established by OPA

Establishment of dollar-and-cent mill ceilings on mahogany lumber produced from logs grown in South and Central America and Africa and of special pricing provisions for lumber of West Indian mahogany was announced recently by the Office of Price Administration.

The new regulation, effective June 10, 1946, prices all sales of mahogany lumber except those made out of distribution yard stocks at an average of 22½ percent over March 1942 freeze prices. These prices are at approximately the same level as those previously in effect under freeze and formula pricing. The ceilings now also cover, at points of entry, mahogany lumber imported as such.

Furniture and cabinet manufacturers, who buy large quantities of this lumber direct from mills, are one of the important class of users who are affected. Announcement of distribution yard mark-ups over mill ceilings will be made in an amendment to a separate regulation (Second Revised Maximum Price Regulation 467) to be issued in the near future, OPA said.

Mahogany lumber, when sales were restricted to the armed forces, was removed from price control during the war. With the end of the war and the removal of distribution controls by the War Production Board on August 20, 1945, interim formula prices were established until the new dollar-and-cent ceilings (now announced) could be set.

The new ceilings include an allowance for freight up to and including 50 cents per hundredweight on shipments in carload lots. An example of the ceilings is that of $251 per thousand board feet for 4/4'' No. 1 Common. In addition to Cuban and San Domingo mahogany lumber, all items not specifically priced will be granted special prices upon individual application to national OPA.

Extension of ceilings to cover sales of mahogany lumber made to United States buyers in a foreign country was made to prevent certain buyers from monopolizing the market, paying higher prices to foreign sellers, and exerting inflationary pressure against domestic lumber ceilings, OPA said.

000 bags monthly or about 550,000 bags during the year.

Coffee production in Cuba does not meet domestic demand. In July 1945 about 100,000 quintals of the export quota were diverted to domestic consumption. Late in 1945 the Cuban Government authorized the importation of 150,000 quintals, of which 48,000 were brought in directly by the Coffee Institute. The remainder was acquired through private Cuban importers; reportedly all but 20,000 quintals of this coffee has already been distributed to roasters by the Institute.

The scarcity of coffee has persisted and in March the Government decreed that an additional 130,000 quintals could be imported during the period beginning March 18 and ending August 31, 1946. The trade agreed that half the imports should consist of Rio grade 8 from Brazil and the remainder of ordinary (corriente) coffee from other countries, both for blending with Cuban coffee, but that under no circumstances should imported coffee be of such high quality as to compete with Cuba's washed or choice grades.

This imported coffee will be prorated among roasters at the rate of 40 percent of their average monthly consumption. The remaining 60 percent will consist of Cuban coffee.

Fruits, Nuts, and Vegetables

Onion and Garlic Crops and Exports, Chile

The Chilean 1945–46 onion crop is tentatively estimated at 49,134 metric tons; the yield per hectare is placed at 22.7 metric tons as compared with 30 for last season. The sharp drop from a previous trade forecast of 80,000 metric tons is attributed to severe widespread damage by thrips.

Although there exists a large foreign demand for onions, it appears unlikely that there will be more than 3,500 metric tons available for export. This compares with an earlier forecast of 10,000 to 12,000 metric tons and an annual average of 1,984 metric tons from 1940 to 1944.

Garlic production in 1945–46 is estimated at 8,402 metric tons, both plantings and yield per acre being much higher than in 1944–45. Through February, 2,092 metric tons of garlic had moved abroad with total exports for 1946 expected to approximate 3,000 metric tons.

Chile's Deciduous-Fruit Exports

Exports of fresh deciduous fruit from Chile in 1945 totaled 3,864 metric tons, valued at $553,600, compared with 3,759 metric tons, valued at $521,100 in 1944. Exports of fresh apples decreased and those of honeydew melons and grapes increased in 1945, according to preliminary statistics from the Consejo Nacional de Comercio Exterior.

Most of Chile's 1945 apple exports went to Bolivia, Peru, Brazil, and Panama. The United States took more than nine-tenths of the honeydew melons. Grapes moved principally to Ecuador, Brazil, and Panama, and pears to Peru and Bolivia.

Exports of fresh deciduous fruit from Chile in 1944 and 1945 are shown in the following table:

Exports of Fresh Deciduous Fruit From Chile

[Metric tons]

Fruit	1944	1945
Apples	3,213	2,595
Pears	159	144
Peaches	11	3
Plums	6	
Grapes	164	271
Honeydew melons	206	851
Total	3,759	3,864

Early indications are that about 4,400 metric tons of apples (200,000 boxes) and 500 metric tons of grapes (40,000 lugs) may move abroad this year, the apples chiefly to the United States and Europe and the grapes principally to the United States. It appears that little if any increase in exports of other deciduous fruits will take place this year compared with last. The principal factor now limiting greater fruit shipments is the relative scarcity of suitable shipping facilities.

Domestic interests within a few months reportedly are to obtain three small modern ships especially constructed with refrigerated shipping space for the fresh-fruit trade. It is said that the vessels will ply between Valparaiso and the United States.

Cashew-Nut Crop, India

The cashew crop in southern India is reported to be about 550,000 bags of 168 pounds each. In the Bombay Province and in Portuguese India, the crop is estimated at approximately 160,000 bags (13 bags to a long ton), as compared with 150,000 bags for 1945. This latter increase is reported to be the result of better care and attention to the crop.

About 18,000 long tons of African nuts are reported to have arrived in India for

processing into kernels since October 1945, and an additional quantity of 15,000 to 20,000 long tons is expected to be received later.

Cuban Processed Fruit and Vegetable Industry

Total production of processed fruits and vegetables, including canned, frozen, and high-sugar fruit products not canned, in Cuba during 1945 was probably about 66,000,000 pounds. The largest single item was pineapple, canned and frozen.

Approximately 7,000,000 pounds of grated coconut were shipped to the United States. The tomato pack of 13,000,000 pounds was largely consumed domestically.

Estimated production of Cuban processed fruits and vegetables are shown in the accompanying table:

Estimated Production of Cuban Processed Fruits and Vegetables

[Short tons]

Item	1937–41 average	1942	1943	1944	1945
Canned Vegetables:					
Peas [1]	30	40	50	80	30
Tomatoes [1]	6,162	12,056	5,322	5,165	6,500
Pimientos [1]	370	2,050	1,292	820	1,200
String beans	.....	62	100	100	50
Dehydrated Vegetables:					
Beets	.....	.....	.....	34	.....
Sweetpotatoes	.....	.....	.....	67	150
Canned Fruits and Preserves:					
Pineapple [1]	5,686	11,380	14,550	9,963	8,000
Guava products	4,500	4,500	4,725	5,400	6,000
Other processed fruits	750	1,000	1,000	1,000	4,000
Fruits in brine:					
Pineapples	875	1,800	850	900	2,800
Dried and dessicated fruits:					
Dessicated pineapple-guava	.....	.....	.....	200	.....
Coconut, sugared	.....	.....	.....	700	3,500
Frozen fresh fruit:					
Pineapples	.....	.....	.....	250	500
Total	18,373	32,888	27,889	24,679	32,820

[1] Cases converted to tons at 41 pounds per case or 48.8 cases per ton.

The 1946 tomato pack (preliminary) was believed to be about the same as 1945. The pineapple pack was expected to establish a record, but canners were facing a second-quarter shortage of tin plate of certain weights, particularly for No. 10 cans. There is considerable interest in developing new frozen food products and in the canning of tropical fruits for export to the United States and elsewhere.

A wide variety of fruit, both domestic and imported, is canned as preserves with sugar sirup. Mango, coconut, guava, and papaya preserves are exported to some extent, whereas orange peel, dried prunes (imported), apples (imported), apricots (imported), mamey, green tomatoes, and other products are canned primarily for sale in Cuba. Cubans use these very sweet preparations for dessert. The output of this type of product in 1945 was about 150,000 cases of canned fruit. Cascos de guayaba (the outer portion of the guava packed in sirup) is believed to have been the principal individual item in this category.

Guava and mango jellies and pastes are prepared in Cuba both for domestic use and for shipment abroad. They are usually of such stiff consistency that they may be packed in cellophane or in wooden boxes. It is believed that production of these products during 1945 totaled 6,000,000 pounds.

Another important product has been sugared, grated coconut, packed in small cellophane or paper bags for export of which about 7,000,000 pounds were exported to the United States during 1945. Fresh coconuts were obtained from eastern Cuba and in some cases imported from Central America for processing and reexport. The revision of War Food Administration Order M–63, restricting entry into the United States of products containing sugar, has curtailed this trade somewhat.

Processed fruit and vegetable exports amounted to 18,000,000 kilograms in 1945. This is almost triple the average shipments of 6,560,000 kilograms for the years 1937–41 and 26 percent greater than the 1944 figure of 13,352,187 kilograms. The 1945 exports were valued at $6,2000,000, nine times the 1937–41 average and 57 percent more than in 1944. The wartime upward trend in prices accounts for the proportionately greater increase in the value of the 1945 shipments.

Ninetey-one percent of Cuba's processed fruit and vegetable exports in 1945 were shippped to the United States. Canned pineapple was shipped to Canada, and a number of miscellaneous items went to Spain and the Netherlands West Indies.

Leather and Related Products

Uruguayan Leather Industry

Uruguayan exports of hides and skins weighed 19,448 metric tons and were valued at $11,888,000 during 1945, compared with 25,539 tons valued at $11,133,000 during 1944.

Of the 55 tanneries in operation in that country, only a few are large establishments. The leather industry, as a whole, is dependent upon the export market for prosperity. However, an alarming decrease was noted in leather exports during 1945, compared with preceding years. Temporary work stoppages were ex-

Agencies for Export Sale of Surplus Electronics Material

The first contract to establish agencies for export sale of surplus electronics material in over-supply has been signed by War Assets Administration and the International Division of Radio Corporation of America, WAA announced on June 5.

The RCA International Division will receive from WAA only material which has been declassified as non-secret by the Army and Navy and material for which there is no demand in this country.

Under terms of the contract, the agent will inspect, test, and, when necessary, rework the material prior to sale.

Sales will be made for cash, and title will pass to the foreign purchaser before the material is exported, according to contract terms.

The contract requires the agent to "keep complete, accurate, and detailed records and accounts of all transactions covered by this agreement."

The contract is subject to cancellation by WAA or RCA at any time on short written notice.

RCA International Division has nine foreign subsidiaries as part of a worldwide distribution system, through which it will export the material to foreign countries.

perienced as a result of the shortage of imported chromium tanning materials.

Leather shoe production was estimated at 960,000 pairs during 1945, remaining at about the 1944 level. Since shoe consumption is considerably less than production, the shoe industry also is dependent upon export markets.

Germany to Export Leather Articles to U. S.

Through an association recently formed by 26 leather-goods factories in the Offenbach district of Germany, plans have been made to export to the United States 250,000 marks worth of leather articles monthly, says a European publication.

Some 550 factories in the American zone of occupation, employing a total of 10,000 workers, are producing leather goods, according to a March report.

Attention: U. S. Importers of Brazilian Castor Beans

Two actions designed to ease problems confronting American importers of Brazilian castor beans were announced recently by the Office of Price Administration. They are effective June 11, 1946.

One move establishes a new maximum import ceiling price of $120.18 per long ton for castor beans imported into the United States via the Pacific Coast.

The new ceiling reflects the added $2.18 freight rates per long ton which Pacific Coast importers—because of their distance from the port of origin—must pay over that paid by Atlantic Coast and Gulf Coast importers.

Formerly, the maximum importing ceiling was $118 per long ton to any port or point in this country. Atlantic Coast and Gulf Coast importers will continue to use this ceiling.

This action was taken to prevent Brazilian exporters from deflecting shipments away from the Pacific Coast, where importers were forced to offer $2.18 less for castor beans f. o. b. Brazilian ports than eastern and southern coastal competitors.

Since Pacific Coast manufacturers of castor oil, made from castor beans, have been operating under wider margains than those in the East and South, the increase will be absorbed and retail prices will not be affected.

The other step taken by OPA exempts from the maximum importing price contracts made prior to February 13, 1946, and covered by letters of credit by American importers with Brazilian exporters by permitting importers to extend the expiration dates indefinitely.

Maximum importing prices on castor beans and oil were set by OPA on February 13, 1946, for the first time.

The new action allows importers to extend contracts made at higher prices before the maximum importing prices were established.

Since those importers also hold contracts at prices below the maximum importing price, their buying prices will average out at or below the maximum importing price.

Machinery, Industrial

Swiss Machine Industry

The fact that more than 50 percent of the output of Switzerland's machine industry is being absorbed by the domestic market indicates that plants are improving and renewing their mechanical equipment. Swiss manufacturers of machinery with branch factories in France can export part of their raw material stocks to France at advantageous prices. Because of the urgency of the demand in France for turning lathes, Switzerland is exporting to that country older types, and this is also an aid to Swiss factories in modernizing their equipment.

Medicinals and Crude Drugs

Market in Czechoslovakia

There are about 120 producers of drugs and pharmaceuticals in Czechoslovakia, of which the 14 largest firms may be expected to be nationalized. In 1939, domestic production was valued at 380,000,000 crowns, and in 1944, output in what was at that time the Protectorate of Slovakia, only, was estimated at 1,000,000,000 crowns.

Among the important producers of drugs is the Czech State Health Institute, which manufactures sera and inoculation preparations and supervises the distribution of penicillin and insulin. This organization will also operate a large penicillin plant which is being brought in from Canada. The monthly capacity of the plant is to be 10,000,000,000 penicillin units.

Because of their former dependence upon the German drug industry, Czech firms in the drug and medicinal fields are interested in considerable expansion. There is also the possibility that many Czechoslovak firms will take over Eastern European markets which in prewar days were dominated by German concerns.

At present, the domestic market in Czechoslovakia could absorb an estimated 130,000,000 crowns' worth of drugs annually. Despite its export plans, the domestic drug and medicinal industry will probably remain a good market for high-grade pharmaceutical specialties as well as raw materials.

Argentine Imports

Argentine imports of drugs and pharmaceuticals showed remarkable gains in 1945, increasing from 123,100 short tons, valued at $21,800,000 in 1944 to 160,000 short tons worth $31,800,000 in 1945.

Although several Argentine laboratories continued in 1945 to produce limited quantities of sodium penicillin, interest was expressed in establishing a local penicillin industry based upon up-to-date methods and equipment.

Production of shark-liver oil in Argentina continued to prosper in 1945. Improved production and testing methods permitted firms to export a vitamin A oil of more uniform and standard quality.

Ceylon's Imports

Ceylon's imports of drugs and pharmaceuticals decreased in quantity in 1945, compared with 1938, although there was a steep rise in the value.

Imports of patent medicines in 1945 totaled 4,404 hundredweight valued at 1,702,585 rupees, against 4,346 hundredweight valued at 1,131,110 rupees in 1938. The United States broadened its exports of such products from 991 hundredweight, valued at 208,370 rupees, in 1938 to 1,723 hundredweight, worth 679,631 rupees, in 1945.

Imports of drugs in these periods declined in quantity—from 8,836 hundredweight, valued at 963,719 rupees to 6,845 hundredweight, with a value of 2,201,587 rupees. The United States expanded its sales sharply from 9 hundredweight, valued at 8,414 rupees, to 93.1 hundredweight, worth 150,386 rupees.

Wartime conditions reduced drastically the number of countries from which Ceylon obtains its imports of medical preparations. While the United

Kingdom remained one of the most important sources, the quantity purchased by Ceylon declined. European suppliers, such as France and Germany, were closed after 1939, but British India, Australia, and Canada sent increasing amounts of drugs and patent medicines to Ceylon during the war years.

Domestic production of drugs and pharmaceuticals in Ceylon is very limited, although some shark-liver oil has been produced by the government.

Motion Pictures and Equipment

Finnish Motion-Picture Market

Statistics on the origin of motion-picture films exhibited in Helsinki from July 28, 1945, to February 7, 1946, indicate that pictures produced in the United States dominate this segment of the Finnish market. During this period more than half of the total premieres in Helsinki were of United States origin and 67 percent of all showings in the Finnish capital had been filmed by United States companies. In the 12 months prior to July 28, 1945, only 52 percent of the pictures exhibited in Helsinki were of United States origin.

The number of films from each country exhibited in Helsinki during the period in question, together with figures on premieres, are as follows:

Motion-Picture Exhibitions in Helsinki, July 29, 1945, to Feb. 7, 1946

Country of origin	Number of programs exhibited	Average number of exhibiting theaters per week	Percentage of total films	Number of premieres	Percentage of total premieres
United States	936	33	67.2	75	50.7
Finland	154	5	11.1	11	7.4
Sweden	130	5	9.3	21	14.2
Great Britain	47	2	3.4	17	11.5
U. S. S. R.	45	2	3.2	12	8.1
France	33	1	2.4		
Denmark	22	(1)	1.6	8	5.4
Switzerland	8	(1)	.6	1	.7
Austria	8	(1)	.6		
Italy	6	(1)	.4	2	1.4
Norway	2	(1)	.1	1	.7
Czechoslovakia	2	(1)	.1		
Total	1,393	50	100.0	148	100.0

[1] Less than 1 percent.

The problem of obtaining raw film has been solved by arrangements for imports in about equal quantities from the United States and Belgium. Approximately 1,000,000 meters of raw film are expected to be imported in 1946. The first shipment of this amount, comprising 225,000 meters, arrived in February.

France is the most recent entry into the Finnish motion-picture market. Permission has been requested for the admission of 100 French films a year, but not more than 20 will probably be imported annually.

Oils, Fats, and Oilseeds

Ecuadoran Imports

Imports of fats and oils, Ecuador's chief source of these products, increased substantially in 1945 over 1944 levels. In 1945, such imports totaled 250,000 kilograms, compared with 37,250 during the year before.

In 1944 and 1945, the United States was the sole source of imports of soybean oil, supplying 20,541 kilograms in 1945, against only 897 in 1944. 1945 production of soybeans, a recent development in the economy of Ecuador, was estimated at between 8,000 and 10,000 quintals. Despite a publicity campaign to help market soybeans, demand remained comparatively small.

In 1945, Ecuadoran imports of corn oil amounted to 9,235 kilograms, all from the United States, compared with 1,335 kilograms imported from Argentina in the preceding year.

The local paint industry in Ecuador is the chief user of imported linseed oil. During 1945 more than half of these imports were obtained from Uruguay, with Argentina and the United States supplying the remainder. A total of 102,086 kilograms of linseed oil were imported in 1945, almost a threefold gain over the 1944 figure of 33,610 kilograms.

All the olive oil consumed in Ecuador is imported, and during 1944 and 1945 the United States was the only source. In 1945, 977 kilograms were imported, compared with 69 in the preceding year.

Imports of cottonseed oil into Ecuador dropped to 34 kilograms in 1945, from 1,339 kilograms in 1944. Argentina was the principal exporter in 1944, whereas the United States accounted for the limited amounts in 1945. Production of cottonseed in 1945 was estimated at 70,000 quintals, a decline of about 15 percent from the 1944 output. Processing of oil from these amounts is insufficient to meet all requirements.

Ecuadoran exports of vegetable oils and oilseeds have been confined to copra, peanuts, and castor beans, of which the last is the most important. Exports of castor beans declined from 1,276,274 kilograms in 1944 to 721,527 kilograms in 1945. The United States took the largest amounts, Chile accounting for most of the remainder.

Exports of copra totaled 93,461 kilograms in 1945, a sizable gain over the 61,308 kilograms shipped in 1944. During 1945, more than three-fourths of these exports went to Colombia and Panama.

Exports of peanuts from Ecuador declined markedly in 1945—to slightly more than 25,000 kilograms from almost 105,000 kilograms in 1944. All of the 1945 export surplus was shipped to Peru.

Considerable quantities of palm kernels are produced in Ecuador, output during 1945 being estimated at 10,000 quintals. Domestic production of the oil from the kernels is now estimated at about 500 quintals monthly. Small quantities of palm oil are processed, for use chiefly in soaps and shampoos.

The production of most oilseeds is sufficient to meet only the minimum local requirements. Future prospects indicate only limited exports of the seeds.

Oil-Cake Shortage in Finland

Finland is suffering from an acute shortage of oil cake for cattle feed. As of March 1946, promises for deliveries of oil cake were reported as follows: 5,000 metric tons from the Soviet Union; 3,000 metric tons from Sweden; and 2,000 metric tons from Brazil. This amount is far below the average of 42,800 metric tons of oil cake imported during the years 1935 through 1939.

Outlook in the Philippine Islands

Present output of edible coconut oil, vegetable lard, and vegetable shortening in the Philippine Islands is estimated as sufficient to meet only half the demand. Lack of crushing facilities for copra and of hydrogenation equipment is the principal limiting factor in the 1946 supply situation of fats and oils, but improvement is expected during the year as machines are restored for production.

Petroleum and Products

Production in Mexico

Petroleum production in Mexico's 3 northern oil fields of Poza Rica, Naranjos, and Panuco increased substantially during April 1946, amounting to 3,945,176 barrels, as against 3,455,021 barrels in March. The daily average for April was 131,505 barrels, an increase of 18 percent over the March average and of 34 percent over the average for January 1946.

Stocks in the fields and at the terminals in the northern zone totaled 3,304,273 barrels on April 29, compared with 3,524,266 barrels on March 29. Total stocks on April 29 were distributed as follows: 1,319,303 barrels in the Poza Rica field; 630,388 barrels in the Naranjos field; and 1,354,582 barrels in the Panuco field.

Canadian Production

Although total Canadian production of crude oil has declined considerably in recent months, output in New Brunswick has been on the upgrade. In the first 11 months of 1945, New Brunswick produced 28,739 barrels of crude oil, an increase of 34 percent over the 21,391 barrels produced in the corresponding period of 1944.

The search for new oil fields in Alberta was more extensive in 1945 than ever before, reports the Canadian press. According to figures of the Petroleum and Natural Gas Conservation Board, wildcat drilling amounted to 245,000 feet, compared with 232,000 in 1944, 162,000 in 1943, 193,000 in 1942, 100,000 in 1941, and 57,000 in 1940.

In addition, 298,000 feet of development or follow-up work was drilled, 159,000 in Turner Valley. The Alberta Petroleum Association estimates that more than $1,000,000 per month was spent in the search for new oil last year, or almost as much as the monthly value of oil produced in Turner Valley.

Situation in Netherlands Indies

Restoration of the oil industry in Borneo is proceeding at an encouraging pace, according to a mid-April report from the Netherlands.

When Tarakan was liberated in May 1945, most of the oil fields and practically all the storage tanks and buildings had been destroyed. Production at the time of the report amounted to 600 tons daily, and it was anticipated that by the end of 1946 the daily yield would be 1,500 tons, or 75 percent of the prewar output. The shortage of storage tanks is a grave hindrance; only one storage tank with a capacity of 5,000 tons was found intact upon liberation, whereas storage capacities totaled 150,000 tons before occupation.

In the oil fields and refineries at Balikpapan, where the prewar annual yield was about 1,000,000 tons, all pipe lines and oil tanks were destroyed, and the field could not be put into early operation. Good progress in restoration activities is reported, however.

The Seria oil fields in British North Borneo, which had an annual prewar output of 700,000 tons, and the refinery at Lutong are expected to be working at full capacity in 1947. Meanwhile, export shipments will be started.

Because of the destruction wrought in the Miri oil fields in Sarawak, further investigation is necessary to determine if rehabilitation is financially feasible. Annual prewar production was 200,000 tons.

Little is known concerning the state of the Java oil fields, except that the refineries were heavily damaged. It is believed that damage to some of the oil fields and refineries in Sumatra may have been relatively light, and that production may be resumed soon after the oil fields are again accessible.

The extensive and promising exploratory work started before the war on Dutch New Guinea will be resumed at an early date, it is stated.

Railway Equipment

Equipment Needed in Turkey

A delegation from the Turkish State Railways visited the United States during the first quarter of 1945 and placed orders totaling about $5,000,000. Equipment ordered included rolling stock but no locomotives. New locomotives, as well as all types of rolling stock and accessory equipment, are reported to be badly needed.

Plans have been made to erect locomotive repair shops at Konya and to enlarge the shops at Eskischir and Sivas. Rails ordered from the United States in 1945 amounted to 8,000 tons; 1,200 tons of 88-pound rails were received in 1945 from the Turkish Iron and Steel Works at Karabuk.

Rubber and Products

Situation in Burma

About 3,000 long tons of rubber have been brought by the rubber-buying agency set up in Burma by the British Ministry of Supply to purchase all Japanese-produced rubber stocks and new output for shipment to Great Britain, reports the foreign press. Slightly more than 1,000 tons have been shipped.

During the occupation, it is stated, the Japanese tapped the rubber estates indiscriminately to produce rubber for distillation into fuel. Many years will elapse before the trees can grow sufficient bark to produce rubber latex in paying quantities. No rehabilitation work has yet been possible on the large European-owned estates, since commercial firms have not yet been permitted to return to Burma.

Burma produced about 12,000 tons of rubber in 1939–40, exporting some 1,275 tons to Great Britain, and the remainder to India and the United States.

Business Is the Greatest Single Force for Social Good

Canadian Exports

Exports of rubber and rubber products from Canada during the first 3 months of 1946 were valued at $4,970,000 (Canadian currency), compared with $6,786,000 during the first quarter of 1945. Exports of pneumatic tires in the two periods amounted to $1,664,000 and $3,009,000, respectively, and exports of inner tubes amounted to $255,000 and $263,000, respectively.

Shipbuilding

British Shipping Mission Visits Chile

The Confederation of Shipbuilders of Great Britain has sent a mission to Chile to promote the sale of British-made ships. A member of the mission has stated that oversea sales can be expected to exceed the 15 percent of output that has been slated for export.

At a conference held at Valparaiso by a group of Chilean ship-owners a representative of the Chilean merchant marine stressed the need of renovating Chile's entire merchant fleet within 10 to 12 years. He estimated the cost of such a renovation to be more than 155,000,000 Chilean pesos.

The mission stated that British vessels of 5,000 to 6,000 tons could be delivered in 18 months, and a suggestion was made that vessels used in the war be chartered to Chilean owners while new vessels are under construction.

The matter of obtaining British capital for investment in shipyards in Chile to cooperate with domestic industrialists also was raised.

Soaps, Toiletries, and Essential Oils

Ecuadoran Soap Industry

Ecuador's soap industry continued its development in 1945, satisfying most of domestic requirements, especially for the less expensive grades. Many ingredients, including oils, are produced locally. Despite the increase in domestic output, large quantities of soap continue to be imported from Argentina, which provided serious competition for domestic enterprises.

Soap Production Low in Greece

The soap industry in Greece operated at 33 percent of capacity from May to December 1945. Lack of transport facilities for moving available small quantities

of sulfur oil and delay in the disposition of caustic soda imported by UNRRA were the principal factors responsible for the low production level.

Essential-Oil Exports From Haiti

The output of essential oils in Haiti was negligible until 1941–42. Exports during the past 3 years, all to the United States, reached a high point in 1944–45, both as to quantity and value. The following table shows a break-down of these exports from 1942–43 through 1944–45:

Item	1942–43		1943–44		1944–45	
	Kilograms	Gourdes	Kilograms	Gourdes	Kilograms	Gourdes
Lemongrass	6,303	53,359	2,968	25,000	4,743	38,528
Lime	4,168	216,122	5,704	305,218	10,078	536,441
Neroli	6	11,000	149	146,213	540	412,100
Petitgrain	4,572	62,942	1,394	24,500	3,082	58,020
Sweet basil	82	21,500	241	45,815	94	25,590
Amyris	.....	.....	2,112	52,000	10,216	284,336
Citronella	.....	.....	.....	.....	186	10,225
Vetiver	.....	.....	1,229	295,745	3,518	465,693
Other	.....	20	.....	.....	.....	6
Total	15,131	364,943	13,797	894,491	32,457	1,830,939

U. K.'s Exports of Toilet Preparations

March 1946 exports of the British toilet preparations industry reached a value of £288,694, compared with the 1938 monthly average of £96,497, reports the British press. Export figures for the first quarter of 1946 totaled £798,361 which appears to indicate that the industry may attain its export target of £2,000,000 by the end of the year.

The break-down for the March export figures was as follows: British West Africa, £19,945; South Africa £36,540; British India, £38,108; other British countries, £113,367; foreign countries, £80,734.

Special Products

Brazilian Imports of Writing Ink

Writing-ink imports into Brazil have increased substantially during the past 7 years. The increased sales of fountain pens in Brazil have been chiefly responsible for greater demand for imported ink which is considered of superior quality.

Present indications are that future imports of writing ink from the United States may amount to as much as 1,600,000 cruzeiros annually. Although the United States participation in total imports may eventually be reduced by competition it is expected to maintain its preeminence.

Data on total imports and those from the United States are shown in the following table:

Imports of Writing Ink Into Brazil

Year	Total imports		Imports from the United States	
	Kilograms	Cruzeiros	Kilograms	Cruzeiros
1937	31,239	351,202	6,779	106,167
1938	18,503	257,124	6,484	125,696
1939	23,580	357,337	15,222	262,989
1940	27,105	383,718	7,998	197,102
1941	16,791	364,273	13,369	329,265
1942	20,867	537,392	18,247	508,949
1943 [1]	27,011	377,715	4,410	105,918
1944	80,329	1,200,036	73,709	1,123,563
First 8 months of 1945	77,291	1,657,223	68,718	1,509,004

[1] The decline in imports from the U. S. was attributed to difficulties in that country in obtaining raw materials for the manufacture of ink.

Textiles and Related Products

Cotton and Products

Prospects of the Belgian Cotton Spinning Industry

According to present plans there will be a sufficient production of cotton yarn in Belgium in 1946 to give weaving mills about 90 percent of their full requirements and still leave some small excess for exports. Deliveries in April, it was said, would amount to approximately 3,750 tons for weavers, 900 tons for manufactures of knitted wear and narrow fabrics such as tapes and ribbons, and 350 tons for the export trade. The comparable average monthly figures for the year 1938 were 4,250 tons for weavers, 940 tons for knitted wear and narrow fabrics, and 1,060 tons for the export trade.

Cotton Purchasing Plan, North China

The North China Cotton Improvement Association plans to set up a purchasing organization which will employ experienced cotton traders to work in close cooperation with the association and the quasi-official China Textile Construction Co. in handling the collection, purchase, ginning, grading, packing, and storage of cotton. The association also has worked out a price index, based on well-defined grades, which is to be used in computing standard prices according to prescribed quality standards.

The objective of the 1946 plan is to purchase 1,176,000 piculs (133.3 pounds each) of ginned cotton from the North China Provinces of Hopei, Shantung, Shansi, and Honan during the crop period from January to September. Ginning is to be supervised by the association for strict quality maintenance. It also will undertake collective ginning and selling, as well as selection of seed for planting.

Association expenses in 1946 are to be met by a 1 percent charge on the selling price of manufactured cotton goods. An important feature of this year's plan is the reestablishment of a free market as to price, instead of the "low fixed price" policy enforced by the Japanese during their occupation. If successful, the plan will provide, according to reliable sources, sufficient raw material to keep cotton mills in Hopei Province running for 5 months on a 24-hours-a-day basis.

Egyptian Cotton Market

Cotton acreage in Egypt for 1946 is expected to be at least 100,000 feddans greater than that for 1945, or approximately 1,082,000 feddans (1 feddan= 1.038 acres) compared with last year's 982,435 feddans. Private estimates, based on seed purchases, indicate an even greater increase.

Purchases of planting seed of the different varieties indicate, furthermore, that the area of Karnak may be increased this year to nearly 800,000 feddans, which is about 200,000 feddans more than in 1945. The area planted to Giza 7, on the other hand, is expected to decrease by 80 percent.

Giza 23 will be grown commercially for the first time this year and it is expected that about 1,500 feddans will be harvested. Giza 30, another new variety, grown on about 1,000 feddans in 1945 probably will be planted on 6,000 feddans in the current season. Planting had been practically completed throughout Egypt by the end of March, and because of generally favorable weather it did not appear likely that extensive replanting would be necessary.

Egypt's cotton market settled back to routine business in March after having had in February its most active period since September 1, 1945. Sales averaged 7,000 bales weekly, mainly to continental European buyers. The United Kingdom has made no further centralized purchases of cotton, but it is reliably reported that British interests have recently bought cotton for spinning on commission in Italy, the yarn to be reexported to the United Kingdom.

The new Egyptian Government is showing evidence that it intends to push the export of cotton vigorously. Four missions will be sent to various foreign markets to discover means of increasing the sale of Egyptian cotton. It is proposed that one mission proceed to the United States and Latin America, two missions to Europe, and one to the Far East. They will investigate in particular the possibilities of increasing barter trade and factors which limit the purchase and use of Egyptian cotton.

Exports of cotton to all destinations in the 4 weeks ended March 28 amounted to only 179,517 cantars compared with 247,826 cantars in the 4 weeks ended February 28. Shipments for the entire

period September 1, 1945, to March 28 amounted to 1,465,824 cantars against 1,641,531 cantars in the corresponding period of 1944–45.

The Egyptian Ministry of Commerce and Industry estimates total production of cotton piecegoods in 1946 at nearly 40,000 metric tons, or approximately 323,900,000 yards (on the basis of a formula of 135 grams per meter.) Domestic consumption is estimated at 42,180 metric tons on the basis of 1937 actual consumption and the increase in population since then. This in itself would indicate a deficit of about 2,000 to 3,000 tons, but because of an anticipated shortage of other textile materials an additional 4,000 tons of cotton piece goods, it is said, will be needed to supplement the current supply. Another 1,000 tons is thought to be needed in lieu of items not now being imported in sufficient quantities, such as ready-made clothing and linen.

Indian Cotton Situation

The fourth all-India cotton forecast for the year 1945–46, compiled by the Department of Commercial Intelligence and Statistics, Calcutta, was released by the Indian Central Cotton Committee, Bombay, on April 15, 1946. This forecast related to the entire cotton area of India and dealt with both the early and late crops in Madras, Bombay, and Hyderabad. Details are shown in the accompanying table.

Fourth All-India Cotton Forecast 1945–46 Season

Trade description	Area	Yield
	Acres	*Bales of 400 pounds*
Oomras	3,979,000	666,000
Americans	3,076,000	1,164,000
Bengals	1,500,000	489,000
Dholleras	819,000	161,000
Broach	475,000	101,000
Surti	329,000	60,000
Others	4,262,000	720,000
Total	14,440,000	3,361,000

At the latest semiannual meeting of the Indian Central Cotton Committee, plans for the 1946–47 cotton acreage were discussed. Taking into consideration the stock position in the country and the area under cotton during the present season, the committee expressed the view that an extension of area under cotton in 1946–47 would be highly desirable but that the gravity of the food situation did not justify such an increase. Since the yield from the maximum allowable acreage would be below India's domestic requirements of raw cotton and seed, the committee urged that every means be used to increase the yield per acre. Two of the committee's recommendations were that provision be made by the Government of India for the importation and distribution of adequate quantities of fertilizers at concessional rates and that transportation facilities be granted for the movement of such fertilizers.

Stocks of cotton held by exporters, dealers, and mills in the principal centers at the end of March totaled 1,698,180 bales compared with 1,210,678 bales at the end of February 1946.

Exports during the first quarter of 1946 amounted to 293,217 bales (of 400 pounds). Imports, almost all from African colonies and Egypt, aggregated 81,901 bales in the same period.

Cotton Situation in Spain

Total receipts of raw cotton at the port of Barcelona during the first quarter of 1946 amounted to 17,062,751 kilograms. Distribution, by country of origin, was as follows: United States, 4,389,816 kilograms; Brazil, 7,665,076 kilograms; and India, 5,007,859 kilograms.

During March new contracts were concluded for the purchase of 10,735 metric tons of Brazilian cotton and about 5,000 tons of American cotton.

Meanwhile, final figures relating to the 1945 domestic cotton crop have become available. These indicate a total yield in terms of ginned cotton of 7,340 bales of 220 kilograms each. Plans for the 1946 season are not complete, but it is understood that cotton planters had up to March 31 requested authorization to plant approximately 36,800 hectares.

Cotton Industry, U. K.

The process of reconversion to peacetime activity in the British cotton industry continues with the gradual release of mills which were closed in 1941 under the system of concentrating production into "nucleus" mills. Progress, however, is slow, because of the labor shortage.

The industry is extremely anxious to resume its export trade on a large scale, but is fully conscious of the heavy task which it faces in achieving anything like the target of a 50 percent increase over prewar exports which has been set by the Government. It will be some years before this can be achieved, for a 50 percent increase over the 1,386,000,000 square yards exported in the prewar year 1938 would amount to 2,079,000,000 square yards of cotton piece goods alone. Against this figure the total of 441,000,000 square yards exported in 1945 appears very meager and serves to emphasize the enormity of the effort required by the Lancashire cotton industry if it is to play a leading part in the United Kingdom's export effort.

Today's Advertising
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BIGGER DRIVE

Wool and Products

Projected Spinning Mill and Clothing Factory, Sweden

Sheep and wool interests of northern Sweden after 3 years of cooperative effort have decided to form companies to operate a spinning mill and a ready-made clothing factory. Construction of the spinning mill has already begun at Morjarv, situated on the Kalix River and midway on the railroad line from Boden to Karungi. This enterprise, including all carding and spinning equipment, will cost an estimated 300,000 crowns. It is estimated that the mill will process 40,000 kilograms of wool annually, 25 to 30 percent of which is intended for dress material and blankets and the remainder for piece goods. Space is also being provided for later expansion.

The clothing factory to be established at Umea in the Province of Vosterbotten will have a capital stock of between 300,000 and 900,000 crowns. The enterprise will begin with 150 workers, principally women, but may expand to a total of 300 workers. Production, at first mainly men's clothing, is expected to begin on October 1, 1946.

Syrian Wool Situation

Wool production in Syria in 1945 amounted to 6,489 metric tons, grease basis, compared with 6,177 metric tons in 1944. Sheep population in 1945 and 1944 was estimated at 3,503,939 and 3,100,000 head, respectively. In addition to clipped wool, Syria produces some pulled wool, but this is for domestic use and no statistics on the quantity produced are available.

Domestic consumption of wool before the war was approximately 15 percent of total production. However, because of the shortage of imported woolen yarns and the high prices that have prevailed since then, domestic consumption has now risen to nearly 34 percent.

No exports of Syrian carpet wool were made during 1945 primarily because of the low market quotations in the United States (the principal market) in relation to the inflated price level in Syria. For this reason the market is relatively duller than would normally be expected.

It is estimated that 60 percent of the 1945 clip is still held in stocks within the country.

Exports to U. S. From U. K.

Declared exports of wood and products from the United Kingdom to the United

States during the first quarter of 1946 and the first 3 weeks of April were as follows:

Raw wool, noils, and waste	pounds	2,727,865
Wool rags	do	555,735
Wool yarn	do	43,423
Wool cloth	square yards	335,042
Wool blankets and traveling rugs	pounds	16,265
Wool carpets and floor rugs	square feet	17,396

Miscellaneous Fibers

LINEN PRODUCTION, NORTHERN IRELAND, U. K.

Production of Irish linen utility goods was begun in Northern Ireland during March, states a British publication. This is the first issue of pure linen for the domestic market since the beginning of the war.

Anticipated production for the first 12 months includes 500,000 pairs of sheets, 200,000 dozen pillow cases, 300,000 dozen kitchen and glass towels, 1,000,000 handkerchiefs, 1,000,000 crash linen tablecloths, and 2,000,000 square yards of linen dress goods.

It is probable, however, that during the first few months the rate of production will be proportionately smaller than the proposed totals would indicate.

Tobacco and Related Products

CIGARETTE PRODUCTION IN LATVIA

The tobacco factories of Latvia have increased their production of cigarettes. In 1945, the plan for output was fulfilled, 126,000,000 cigarettes having been manufactured, reports the Soviet press.

TOBACCO ACREAGE IN NEW ZEALAND

The total area licensed by the New Zealand Tobacco Board for the 1945–46 season was increased slightly—to 3,560 acres—compared with 3,303 acres harvested in the preceding year. The number of licenses issued to growers this season totaled 552 compared with 480 granted in 1944–45.

Tobacco on the heavier soils apparently is of excellent quality and the yield has not been markedly reduced by the drought. Since the current crop grown on other soils has been badly affected by the extreme dryness both as to yield and quality, total output in New Zealand is expected to be smaller than the 3,288,963 pounds of the 1944–45 season, despite the larger acreage.

Imports of unmanufactured tobacco in 1945 amounted to 7,007,318 pounds, mostly from the United States. Cut tobacco imports totaled 3,848 pounds, 1,561 pounds coming from the United States. The United States was also the chief source of New Zealand's imports of cigars and cigarettes. Of a total of 1,749 pounds of cigars imported from various countries, 1,742 came from the United States. Imports of 45,581,000 units of cigarettes included 33,923,000 of United States manufacture.

Trade-Mark Applications

Argentina.—Notice of applications for registration of the following trademarks was published in the Boletín Oficial of April 27, 1946. Opposition must be filed before July 1, 1946:

Trade-mark	*Class No. and product*
Gaviota	3—Entire class
Print Fix	18—Entire-class
Duratone	9—Entire class
Tocol	10—Entire class
Hypervitam	2—Entire class
A 1	22—Entire class
Brometol	2—Entire class

El Salvador.—Notice of applications for registration of the following trademarks was published on the date indicated in the Diario Oficial. Opposition must be filed within 90 days from the date of publication:

Trade-mark	Product	Date of publication
		1946
Rawnsello	Clothing, textiles	Apr. 27
Mars	Clothing (jerseys)	May 2
Puffin	Books, educational periodicals	May 6
Vina Undarraga	Wines and liquors	Do.
Trade Mark	Flours	May 24
Marca El Aguila	do	Do.
Eva	Coffee	May 27
Norga	do	Do.
Buena Vista	do	Do.
G. L. & C.	do	Do.
Margot	do	Do.
Florida	do	Do.

Amsterdam Diamond Trade: Some Sparkle Is Recaptured

(Continued from p. 11)

portance. However, other producing centers give promise of being serious competitors. Two new centers, in particular, command attention. Founded largely by refugees, the Cuban and Palestinian industries have grown rapidly.

The total value of exports of polished diamonds from Palestine—of which shipments to the *United States* have accounted for 70 to 88 percent of all exports during the past few years—jumped from approximately $14,000,000 in 1944 to almost $24,000,000 in 1945; and this, surely, is more than a straw in the wind.

Look Farther Afield

For a number of years the United States has formed the principal market for diamonds polished in the Netherlands. Normally, nine-tenths of all the stones turned out in Netherlands workshops find their way to the United States. Nor is the postwar flow of trade likely to be any exception.

Some of the members of the industry, however, are visualizing the need for cultivating new markets—perhaps in South America, Australia, Egypt, and India. They desire to establish their industry on the firmest possible footing and point out the wisdom of trade with *diverse regions*.

News by COUNTRIES

(Continued from p. 37)

barges and possible sea-water ballasting facilities at the major ports.

To assist in the development of the export trade it was proposed to provide new fully equipped transit sheds at Cardiff and Newport (Monmouthshire) and additional appliances at the sheds at Barry.

Another scheme was to deepen and widen the junction passage between the North and South Docks at Newport and to provide new slipways at Newport for repairing and housing lock gates in order to minimize delays when repairs have to be carried out.

Other proposed dock improvements included the provision of extensive new railroad sidings on the foreshore at Cardiff to enable mining and sawn timber to be stacked.

Three thousand road rollers will be needed in the next few years in the building of a national highway system in India, and Australian engineers have been requested to submit bids, the British press reports.

$30,000,000 worth of goods received in 1944. The probability of reduced exports in 1946, together with the increased needs for foodstuffs from dollar areas, made it likely that even greater selectivity would be exercised in the immediate future by the Foreign Exchange Institute in approving funds for imports from the United States.

. . . and Government Finance

Ordinary Government expenditures calculated in the initial budget for 1946 amounted to 11,298,000,000 paper pesetas, as compared with 10,564,000,000 in 1945.

Anticipated income rose from 10,500,000,000 in 1945 to 11,100,000,000 paper pesetas in 1946. The initial ordinary budget deficit was thus approximately 170,000,000 pesetas.

An extraordinary budget of expenditures was again voted, amounting to 1,917,000,000 pesetas, as compared with 2,538,000,000 for the year 1945. The Minister of Finance was, as usual, authorized to finance this budget by bond emissions.

Currency in circulation amounted to 17,700,000,000 pesetas at the end of 1944, and 17,900,000,000 pesetas at the end of 1945. In November the statutory maximum of currency circulation was raised from 18,000,000,000 to 20,000,000,000 pesetas.

New World Trade Leads

(Continued from p. 15)

lombia, Medellin, is interested in *gift articles*. Scheduled to arrive: June 8, via Miami. Length of visit: 2 months. U. S. address: c/o Parke Davis & Co., 181 Hudson Street, New York, N. Y. Itinerary: New York City.

15. *Ecuador*—Luis Ignacio Baca P. of Baca Hermanos, Calles Chile y Montufar, Quito, is interested in *automotive vehicles, parts and accessories; farm implements and machinery;* and *other types of machinery*. Scheduled to arrive during June, via Miami, for a visit of 6 months. U. S. address: c/o Ecuadoran Consulate General, 30 Rockefeller Plaza, New York, N. Y. Itinerary: New York City, Chicago, and Detroit.

16. *Egypt*—Mohamed Bey Sayed Yassin of Mohamed Bey Saued Yassin & Co., "Verreries Nationales," 34 Rue Kasr el Nil, Cairo, is interested in *raw materials and machinery for the manufacture of glassware*. He is scheduled to arrive the end of June, via New York City, for a visit of 6 weeks. U. S. address: c/o Temperleys Haslehurst & Co., Inc., 70 Pine Street, New York 5, N. Y. Itinerary: New York City, Washington, D. C., and Pittsburgh.

17. *England*—W. K. Williamson, Managing Director, W. K. Williamson & Co., Ltd., 41 Whitehall, London, S. W. 1, is interested in representations for *all types of machinery; machine tools; electrical equipment; radios;* and *other durable consumer goods*. He is now in this country until July 31. U. S. address: 15 William Street, New York 5, N. Y.

18. *Greece*—Aex Cost, representing Tissage & Filature de Sole, "Le Soleil," Capodistrion 3, Salonika, is interested in purchasing *silk-textile machinery*. He is now in this couhtry for about 3 months. U. S. address: 321 Hudson Street, Syracuse, N. Y. Itinerary: New York City, Boston, and Philadelphia.

World Trade Directory Report being prepared.

19. *Guatemala*—Francisco Martinez O., 6 Avenida Sur Nos. 74–76, Guatemala City, is interested in *cotton textiles*. Scheduled to arrive: June 3, via New Orleans. Length of visit: 1 month. U. S. address: c/o U. S. Department of Commerce, 60th Floor, Empire State Building, New York 1, N. Y. Itinerary: New York City.

20. *India*—K. H. Chambers, Lacot's Buildings, Errabalu Chetty Street, Madras, is interested in the exportation of *hides and skins*, and *leather* from India. Scheduled to arrive during June for a visit of 6 weeks. U. S. address: % Kline & Co., 100 Gold Street, New York 7, N. Y. Itinerary: New York City, Boston, and Philadelphia.

21. *Jamaica*—J. A. Brandon of J. A. Brandon & Co., 129 Tower Street, Kingston, is interested in *cotton and rayon piece goods; kitchen hardware;* and *imitation leather*. He is now in this country until about the end of June. U. S. address: % Wasco Engineering Co., 601 West Twenty-sixth Street, New York, N. Y. Itinerary: Detroit, Cleveland, and New York City.

22. *Lebanon*—Hanna E. Bostani, representing Bostani, Ishac & Meshaka, and Elie H. Bostani & Son, both of Beirut, is interested in *automobiles; machinery; electric-power equipment and supplies*. He is scheduled to arrive the end of May for a visit of 6 months. U. S. address: % Firestone Tire & Rubber Co., Akron, Ohio, or % Joseph Hacne, 59 Pearl Street, New York, N. Y. Itinerary: New York City, Akron, and Detroit.

World Trade Directory Reports being prepared.

23. *Netherlands West Indies*—Jack Abady, Herinstraat No. 14, Willemstad, Curacao, is interested in *general merchandise* and *machinery*. Scheduled to arrive: June 15, via New York City. Length of visit: 2 months. U. S. address: 204 Sixty-sixth Street, Brooklyn, N. Y. Itinerary: New York.

World Trade Directory Report being prepared.

24. *Panama*—Raimundo Ortega (Vieto), representing El Buen Vecino, S. A., P. O. Box 572, Panama, is interested in purchasing *rayon and cotton textiles for men's and boys' clothing*. In view of his short visit, interested firms should contact him at his Panama address.

World Trade Directory Report being prepared.

25. *Peru*—Miguel Charos, representing Fábrica-Taller de Tejidos de Confección Grau, S. A., Paseo de la Republica 595, Lima, is interested in *needles for knitting machines*. Scheduled to arrive June 10, via Miami, and expects to remain until about the end of June. U. S. address: % Peruvian Consulate General, 10 Rockefeller Plaza, New York City. Itinerary: New York, Chicago, Detroit, Philadelphia, and Boston.

World Trade Directory Report being prepared.

26. *Portugal*—Alfredo Teixeira, representing "Secoda," Soc. de Equipamentos Comercais, Lda., Lisbon, is interested in the purchase of and representation for *home appliances, commercial equipment,* and *similar lines*. He is now in this country for an indefinite stay. U. S. address: % James W. Elwell & Co., Inc., 17 State Street, New York 4, N. Y. Itinerary: New York and vicinity.

World Trade Directory Report being prepared.

27. *Rumania*—Isidore Karmitz, representing Drogueria Standard, S. A. R., 8, Rue St. Tonica, Bucarest, is interested in *pharmaceuticals, medicines, biologicals,* and *chemicals*. He is now in this country for a visit of 1 month. U. S. address: % Caruth Import & Export Corp., 20 John Street, New York 7, N. Y. Itinerary: New York and Chicago.

World Trade Directory Report being prepared.

28. *South Africa*—A. K. Burningham, representing Garlick, Ltd., Exchange Place, Capetown, is interested in *general-department-store lines*. Scheduled to arrive during June for a visit of 2 or 3 months. U. S. address: % Associated Merchandise Corp., 1440 Broadway, New York City. Itinerary: New York, Chicago, and Boston.

29. *South Africa*—F. S. Mendel, representing Concentra, Pty., Ltd., and African Inshore Fisheries Development Corp., Ltd., both of Capetown, is interested in *fish-reduction and oil-extraction plants, canning equipment,* and *fishing boats and gear*. He is now in this country for a stay of about 6 weeks. U. S. address: % Standard Bank of South Africa, Ltd., 67 Wall Street, New York City. Itinerary: New York, Washington, Boston, and San Francisco. (Supplementary to announcement in FOREIGN COMMERCE WEEKLY of May 25.)

30. *South Africa*—Raymond Sagov, representing Alexander Sagov, Ltd., 27 Castle Street, Capetown, is interested in *textiles, hosiery,* and *fancy goods*. Scheduled to arrive in June, probably via New York, for a visit of 2 months. U. S. address: % Bluefries-New York, Inc., 44 Whitehall Street, New York City. Itinerary: New York.

31. *Switzerland*—Nathan Chaikine, representing Abel Chaikine, 4 Rue du Jura, Geneva, is interested in representations for *all food products, especially infant foods*. He is now in this country for an indefinite visit. U. S. address: 1 West Seventy-second Street, New York 23, N. Y.

32. *Turkey*—Suzi Osman Bleda, representing Koc Ticaret, T. A. S., Ulus Meydani, Ankara, is interested in *contacting American industrial chemists for the purpose of discussing with them the enlargement of his company's industrial chemical and chemical dye division*. Scheduled to arrive in June for an indefinite stay. U. S. address: % Rom Commercial Co., Inc., 570 Lexington Avenue, New York 22, N. Y.

33. *Venezuela*—Luis G. Castillo, Apt. No. 460, Pasaje Colon No. 13, Maracaibo, is interested in *dry goods*. Scheduled to arrive early in June for a visit of about 3 months. U. S. address: % Venezuelan Consulate General, 19 Rector Street, New York City. Itinerary: New York, Boston, Philadelphia.

34. *Venezuela*—Guillermo Gonzalez Pachano, representing La Casa de los Deportes, S. A., Apt. 293, Maracaibo, is interested in *men's wear and sporting goods*. He is scheduled to arrive early in June, via New York, for a visit of about 3 months. U. S. address: % Venezuelan Consulate General, 19 Rector Street, New York City. Itinerary: New York, Boston, and Philadelphia.

Import Opportunity

35. *England*—Banner Electric Co., Ltd., Burford House, Hoddesdon, Hertfordshire, offer as of interest to American firms the Banner *coil tester*, intended for testing air-cored coils of insulated wire to detect short circuits. A descriptive leaflet is available

from the Commercial Intelligence Division upon request.

36. *France*—Établissements L. Boucher "Au Ver a Soie", 102 rue Reaumur, Paris, is desirous of renewing its exports to the United States of manufactured *silk threads* of various types. It is suggested that interested firms contact the Paris firm direct for samples.

37. *Scotland*—Clyde Machines Ltd., 7 Barbreck Street, Queens Park, Glasgow, S.2, offers as of interest to American firms the Clyde *potato-chipping machine*. A descriptive leaflet is available from the Commercial Intelligence Division upon request.

Export Opportunities

38. *Belgium*—Maison L. Bovier, 168 Boulevard Anspach, Brussels, desires purchase quotations on *photographic supplies and motion-picture equipment*, such as cameras, projectors, accessories, chemicals.

39. *Belgium*—Brasserie Malterie Roelants S. A., 54, rue Van Oost, Brussels, desires purchase quotations on *beer bottles*.

40. *Belgium*—Compagnie du Kasai S. A., 41 rue de Naples, Brussels, desires purchase quotations on *D. D. T. insecticide*.

41. *Belgium*—Delsart & Fils, 152, Boulevard de Smet de Naeyer, Brussels, desires purchase quotations on *corset and garter fabrics; suspenders; elastic cloth; hooks on tape; velvets*.

42. *Belgium*—Henri Francart, 25, rue Clerbois, Soignies, desires purchase quotations on *cotton gabardine cloth (impregnated or rubberized)* for making raincoats and waterproof garments.

43. *Belgium*—Grands Magasins à L'Innovation S. A., 111, rue Neuve, Brussels, desires purchase quotations on *all commodities generally sold in department stores*, especially linoleum, oilcloth, artificial leather.

44. *Belgium*—La Cablerie S. A., 193, Chaussee, Glain-lez-Liege, desires purchase quotations on high-speed *tubular stranding machine* with 19 spools of approximate capacity of 11 kilograms each for working wire up to 1 mm. in diameter; *automatic winding machine* (6 heads).

45. *Belgium*—Le Four Industriel Belge, S. P. R. L., 15, rue Van Trier, Antwerp, desires purchase quotations on *pyrometers, thermostats, ventilators for industrial furnaces*.

46. *Belgium*—Leon Libert, 214, Avenue de la Croix Rouge, Bressoux, desires purchase quotations on *lubricating oils and greases* in their original containers; *special oils for shock absorbers and hydraulic brakes; coatings and paints for automobiles; antifreeze*.

47. *Belgium*—Manumoderne, 7, rue Emile Pathe, Forest-Brussels, desires purchase quotations on *electric hoists*.

48. *Belgium*—Société Anonyme Belge des Vins, 156, rue de la Loi, Brussels, desires purchase quotations on American *wines and spirits*.

49. *Belgium*—Société Belge des Products du Docteur N. G. Payot, 54, rue du Pepin, Brussels, desires purchase quotations on *all novelties in apparatus and equipment used in beauty shops, and furnishings for same*.

50. *Belgium*—Usines Ragheno S. A., 54, rue Mot, Malines, desires purchase quotations on *railroad car wheels, axles, springs (flat and spiral)* cast and rolled steel.

51. *Belgium*—Gerard Van Hee, 4, Landbouwerstraat, Saint Nicolas Waes, desires purchase quotations on *knitting machinery* for glove making.

52. *England*—Banner Electric Co., Ltd., Burford House, Hoddesdon, Hertfordshire, desires purchase quotations on *door chimes* of all types.

53. *England*—Percy Jones (Twinlock) Ltd., Beckenham, Kent, desires to locate a source of supply in the United States for *metallic foil* suitable for blocking lettering on the covers of loose-leaf books bound in leather, cloth and other material.

54. *England*—Lines Brothers Ltd., Tri-Ang Works, Morden Road, Merton, London, S. W. 19, desires purchase quotations on a machine or machines that will make *tangent wheel spokes and nipples* for bicycles and tricycles.

55. *England*—S. J. Maude & Co., 76/86 Chandos House, London, S. W. 1, desires purchase quotations on a *plant for producing 5 tons of sole leather and 2,000 pieces of upper leather* per 24-hour day. Specifications of the machinery required will be submitted to interested firms upon request by the Commercial Intelligence Division.

56. *England*—C. W. Randall & Co., 2–4 Waller Street, Luton, Beds., desires purchase quotations on wholesale quantities of *petersham ribbon* for trimming ladies' hats, also any *hat material* such as fur felt or wool forms, military braids, satin, faille, and taffeta ribbons and galloons, also 36-inch taffeta.

57. *France*—La Courroie Filastic, 29 bis Avenue Parmentier, Paris, desires purchase quotations on industrial *belting*.

58. *Greece*—Filature et Tissage de Salonique S. A., 1 Enotikon Street, Salonika, is very interested in contacting American suppliers of *dyeing machinery and spinning machinery*. Correspondence may be in either English or French, and should be addressed to the attention of Mr. Nicolas Economopoulos.

59. *South Africa*—Bales Ltd., Durban, desires purchase quotations on large quantities of *hessian cloth* or substitute to carry 100 pounds of flour or sugar, or tenders for 2,000,000 bags 22 by 35 inches for the same purpose; also requires hessian cloth 11-ounce—37 inches; 12-ounce—40 inches or 13-ounce—40 inches, 11 by 15.

World Trade Directory Report being prepared.

60. *South Africa*—British Agencies Ltd., P. O. Box 3797, Johannesburg, desires purchase quotations on *abrasive paper* for woodworking and motor industries; *pneumatic machinery* as follows: pneumatic scraper; pneumatic sander for motor and furniture trade; machinery for making flock.

61. *Switzerland*—Dreyfus-Hauser & Co., 14 Gerechtigkeitsgasse, Zurich, is interested in the purchase of and representation for *grey cotton yarns and worsted woolen yarns* for weaving—10,000 to 100,000 kilograms, single or double ply; all usual counts; preferably reeled in skeins; *grey, also yarn-dyed and printed cotton piece goods* for dresses, draperies, underwear; *woolen and worsted piece goods* (suitings, coatings, dress goods)—50,000 to 200,000 kilograms.

62. *Switzerland* — Einkaufsgenossenschaft der Schweiz—Coiffeurmeister, 51 Seilergraben, Zurich, desires purchase quotations on 1,000 dozen of hard-rubber *black combs*, especially barber's combs (haircutting, hairdressing, and hair-waving combs; also rattail combs).

63. *Switzerland*—Charles Wunderli S. A., 88 Avenue des Alpes, Montreux, desires purchase quotations on foodstuff substitute—*saccharin*, 3,000 kilograms, chemically pure and soluble and insoluble.

The value of exports of machinery, other than farm machinery, from Canada in 1945 is officially reported at $19,870,000, while *imports* in this classification amounted to $92,786,000.

The Urals: Present Center of Soviet Industrial Power

(Continued from p. 5)

rely on the Urals for its war supplies and ammunition.

There were several reasons why the Soviet Government selected the Ural region and made it the arsenal of the Red Army and Navy: (1) The existence of industries already highly organized and developed during the Five-Year Plans, (2) natural resources, and (3) geographical location, far from the eastern and western frontiers.

War required vast quantities of high-grade metals, and with the loss of the southern metallurgical area, steel and rolled metal became the most critical items. Pressure was therefore put on the development of the metallurgical industry. New iron- and manganese-ore mines and deposits of refractory clays and limestone were opened and developed. Ural plants, which before the war were making only certain varieties of steel, were enlarged, reconstructed, and adapted to war needs. By 1942 quality metals already represented 62.5 percent of total rolled metal output, compared with 31 percent in 1937 and 39 percent in 1940. The manganese industry up to that time practically undeveloped, was rapidly expanding: the output of the Sverdlovsk oblast during the first 6 months of 1944 increased eightfold, as compared with the entire 1940 output. Of great significance was the development of ferro-manganese production. Gigantic strides were made in the expansion of the nonferrous industry. In 1940 the total Ural output of aluminum and magnesium represented only 22 percent and 50 percent respectively of the total U. S. S. R. output, and no nonferrous metal processing was done in the region. By 1942 the Urals had become the center of nonferrous-metal production and processing.

To meet wartime demands, the chemical industry of the Urals had to be reorganized. To this end several coking plants were opened, and coking—which previously was concentrated in the southern part of the Union—became an important item in the local industry. During the second half of 1944, two coke batteries, each with a yearly capacity of 420,000 tons, were put into operation in Chelyabinsk. The chemical industry began production of such theretofore unfamiliar items as synthetic fiber, rubber, and alcohol, paints and varnishes, and plastics. Production of a number of

other chemicals (phenol and others) had greatly increased.

At the time war was declared, the Ural machine-building industry was already on a high level of development. The three big plants—the Chelyabinsk Tractor, the Uralvagonzavod, and the Uralmashzavod—alone could process 1,500,000 tons of metal a year. However, the assortment of machines was rather limited. Despite the large demand of the Ural plants for electrical machinery and power-plant equipment, machinery for the chemical industry and machine tools were produced only in very limited quantities. No automobiles were made locally, and a large proportion of agricultural machinery and spare parts had to be brought from other regions of the country. Even the heavy-machine building could not satisfy entirely the demands of the region. The big plants' specialization was too narrow. For instance, the Uralmashzavod built all the largest machinery for the entire country, the Uralvagonzavod specialized in freight cars and made 44 percent of all the cars in the Union, the Chelyabinsk Tractor Plant produced 27 percent of Soviet tractors. Builders' hardware was for the most part brought to the Urals from Moscow, Leningrad, and some of the southern plants. The same was true of spare parts and smaller equipment. A number of items made from local raw materials were sent to the western and southern plants in the form of semifabricated products and then returned as finished products.

The evacuation of enterprises from the occupied territory to the Urals and the conversion of industry in the area to a war basis changed completely the character of industry in general, and of the machine-building industry in particular. Within a short time the Ural plants mastered production of high-quality steels and forgings for aircraft and tank industries, and enlarged the variety of machinery produced. They began to build tanks, aircraft, motors, bearings, radio and telephone equipment, power-plant machinery, and machine tools. Chemical plants, making potassium and phosphate fertilizers, switched to war production. Among the entirely new industries resulting from wartime demands were the silk and cotton industries and some chemical manufactures. Food, cosmetics, vitamins, and tobacco were added to the long list of new products.

Products of the machine-building and metal-processing industries reached 70 percent of the total industrial output of the Urals in 1942. In 1940 they represented only 42.7 percent; and in 1937, 31.7 percent.

Several of the Ural cities developed new industries, and their importance as industrial centers was greatly increased. Sverdlovsk became the center of production of roller bearings, rubber products, plastics, turbines, and machinery for the chemical industry. Chelyabinsk produced, simultaneously with war supplies, pipes, sulfur, paints and varnishes, tools, and other items. Ufa became the center of electrical machinery and motor production. Ufa's basic industries, oil-refining and chemical (synthetic alcohol and sulfuric acid), expanded. Chkalov built machine tools, made lubricating oils, and developed a silk industry, in addition to its defense industry. New industrial centers sprang up all over the Ural region (Miass, Sterlitamak, and others).

The rapid development of various industries of the Urals required a tremendous amount of fuel and electric power. Production of every kind of fuel was greatly increased. Coal and peat output in 1943, for instance, showed an increase of 150 percent over 1937, and power output was more than doubled. Nevertheless, fuel supplies proved to be insufficient, particularly in the early stages of the war, and lack of power prevented some of the enterprises from working at their full capacity. Strict power allocation had to be introduced. Every effort was made to increase power-plant capacities and find new sources of energy. As the result of this policy, the Sverdlovsk oblast alone acquired 30 steam boilers, 36 new turbo-generators, and 5 direct-flow boilers during the war period, and its power output was increased by 475 percent.

Such rapid development of industry entailed extensive construction work. Fortunately, the region had enough cement, brick, limestone, and other such products to provide raw materials for the building industries. However, home building could not keep pace with the rapidly developing demand which took place during the war years, and an enormous effort had to be made to provide housing and communal buildings for the ever-increasing population.

Movement of war supplies to the front and freight traffic between different Ural production centers created transportation problems. New railroads were built and existing lines were developed, but, despite this, the railroad systems were unable to handle the traffic adequately.

To provide food for the vast army of home-front workers, it was necessary to develop food production. A very important contribution to the solution of this problem was made by the auxiliary farms of the plants and by victory gardeners. The victory gardeners of the Sverdlovsk oblast alone planted 50,000 hectares of potatoes in 1944.

Future Possibilities

It is expected that in the postwar years the Ural region will maintain its place in metallurgy and will serve as a source of supplies for the restoration of the regions occupied by the enemy during the war. In the last months of the war, the Chelyabinsk and the Orsk metallurgical combines were rapidly expanding, and the Magnitogorsk, the Novo-Tagil, and other metallurgical plants were reaching their projected capacity.

The vast supplies of wood undoubtedly will play an important part in Ural metallurgy; charcoal added to the blast-furnace charges eliminates a number of processes and produces pig iron and eventually a steel of higher quality. Iron ores free of phosphorus and sulfur and rich in chromium, nickel, vanadium, and titanium provide material for the smelting of high-grade-alloy pig iron and a wide assortment of high-grade and special steels. When expansion work on the existing plants is completed, pig-iron output is expected to double, steel production to increase 150 percent, and rolled-metal production to increase more than 100 percent.

The development of ferrous metallurgical facilities to their full capacity will eliminate the existing disproportion between the production of steel and rolled metal. For maximum productivity and the best possible exploitation of available facilities, future development plans for Ural metallurgy will have to take into consideration the availability of raw materials and the coordination between smelting and processing of metals.

Production of copper, aluminum, zinc, magnesium, and other nonferrous metals also is expected to increase during the next few years.

The chemical industry undoubtedly will retain its present important place. Production of potash, nitrates, caustic soda, soda ash, superphosphates, sulfuric acid, ammonia, and a number of other chemicals, byproducts of coking, will continue. In the case of soda ash, ammonia, and sulfuric acid, the Urals will be able to meet all the local needs and, in addition, supply other regions of the country.

The machine-building industry of the Urals has definite problems. Its main object is to adapt itself to the character of general industrial development and to provide machinery for ferrous, nonferrous, chemical, power, and armament industries. With the coming of peace, it has to reconvert as rapidly as possible from what was predominantly war production to peace production, and develop its power, fuel, and mining machine-building branches in order to provide the corresponding industries with facilities for growth. Production of spare parts,

necessary for the upkeep of plant inventories of heavy machinery, is another important object. It was found during the war that at times machines were inactive for lack of spare parts.

In the fuel industry, the most vital problem is the development of the local resources of coal, peat, firewood, and gas so as to eliminate importation of coal from other regions. Parallel to the development of the well-known coal deposits in Kizel, Chelyabinsk, and other regions, particular attention will have to be given to the development of coal mining in the southern Urals. Creation of a new coal basin—the Kuyurgazinski—is the most urgent problem of the Bashkir Republic and the Chkalov oblast. However, it is already evident that these developments alone will not be sufficient to provide the Urals with the necessary fuel. There is a definite disproportion in the Urals between the estimated deposits of coal and of other natural deposits. The estimated deposits of iron ore represent 25 percent of the total U. S. S. R. deposits, copper 33 percent, zinc 20 percent, nickel 31 percent, bauxite 61 percent, chromites about 100 percent, phosphorites 18.5 percent, potash salts about 100 percent, and platinum about 100 percent; but coal deposits of the Urals represent less than 1 percent of the total Soviet deposits.

War exigencies were instrumental in giving an impetus to prospecting for and developing coal deposits. In the Sverdlovsk oblast alone, the output of coal in the first 6 months of 1944 exceeded by 50 percent the 12-month output of 1940. But, as previously stated, despite the progress in coal mining in the Urals, the region was unable to produce sufficient fuel for its own needs, and fuel had to be brought from other parts of the country. In 1942, the Urals brought from outside sources 50 percent more coal than in 1938. It is estimated that, even taking into consideration a substantial development of local fuel resources, the Urals will have to double the procurement of coal from other regions in order to supply the needs of all the plants now under construction or in the process of expansion.

The bottleneck in the Ural coal industry in the last months of the war was attributed in part to the lagging of prospecting, an inefficiently organized maintenance service, and an inadequate exploitation of some of the open mines. This was particularly true of the Middle and Southern Urals which depended almost exclusively on the Chelyabinsk coal basin.

In order to reduce to the minimum the necessity of bringing in coal from other regions of the country, the Urals will have to develop to maximum capacity all the local fuel resources (coal, peat, shale, firewood), to develop the concentration of Karaganda coal in the Orsk and the Magnitogorsk plants, and to utilize for power plants the byproducts of coking coal. It will also be necessary to take full advantage of the hydroelectric possibilities of the region. Potential supplies of hydroelectric power in the Urals are estimated to be 6,600,000 kilowatts, including 2,100,000 in the Molotov oblast, 640,000 in the Sverdlovsk oblast, 510,000 in the Chelyabinsk oblast, and 1,560,000 in the Bashkir A. S. S. R. Hydraulic energy in the Urals has been practically ignored in recent years, despite the fact that about 200 years ago it constituted an important source of power.

Development of hydroelectric projects in the Urals undoubtedly will play an important part in the general economic development of the region. It will provide power for the Ural industry and by the same token eliminate the necessity of importing coal in large quantities.

Such installations will increase the navigability of a number of rivers, and therefore lighten the load borne by the railroads. In several regions—as for instance Sverdlovsk, Chelyabinsk, and Chkalov—the development of hydroelectric systems also will improve the water supply and provide irrigation for cultivated areas.

Hydroelectric Power

As previously stated, a great disproportion between natural resources, such as minerals and other industrial raw materials, and the available local fuel supply, has always existed in the Ural Mountains. To keep up the pace of industrialization set during the war, it will be necessary for the Ural industry to increase the output of power. To make industrial expansion economical, it is essential to make power cheap and readily available. It has already been pointed out that local fuel supplies are not sufficient to operate all the plants to their full capacity, and that coal has to be brought to the Urals from other regions, thus increasing the cost of production and taxing the transportation facilities.

The proposed expansion of the Ural industries during the current Five-Year Plan (1946–50) again brings to the fore the all-important question of power supply. It is true that the discovery of oil in the Devonian strata of the Molotov oblast, the central Volga region, and the Bashkir Autonomous Republic makes the fuel outlook brighter; the development of the Pechora coal basin (Vorkuta), and the eventual connection of that basin with the Ural industrial regions by a railroad will make available large supplies of coal; and further development of the existing coal mines, intensive prospecting for new coal deposits, and the utilization of other sources of fuel (oil, shale, peat, firewood) may gradually alleviate the existing shortage. These recent and future developments, however, do not detract from the necessity and the desirability of expanding the hydroelectric network in the Ural region.

Carefully planned utilization of the Ural rivers for power and water projects would bring the following advantages:

(1) A *cheap* source of power.

(2) The supply of power produced by a hydroelectric plant does not depend on other industries, as is the case of thermoelectric plants which depend on the mining and transportation industries for their fuel supply. Therefore, bottlenecks, slow-downs or interruptions in these industries would not interfere with the operation of a hydroelectric plant as they would with a thermoelectric plant. An excellent example of this advantage was the wartime operation of the Rybinsk and the Uglich hydroelectric plants which supplied Moscow with electric current under conditions which would have crippled the operation of any thermoelectric power plants.

(3) A hydroelectric plant requires less personnel to operate—an important consideration in the U. S. S. R. where labor shortage, particularly of skilled labor, presents a problem.

(4) A planned control of the Ural rivers would greatly improve their navigability. Most of these rivers vary considerably as to the volume of their flow according to seasons and to the time of high- and low-water level, making the over-all picture of navigation rather erratic. The principal Ural rivers are navigable for 9,351 kilometers in high-water periods, but for only 4,329 kilometers in low-water periods. By reducing the difference in the rivers' volume at high and low levels, and by making them suitable for regular river traffic, the region will be able to divert some of the freight now carried by railroads to barge transportation.

(5) The Ural timber industry has always relied to a great extent on the rivers for timber floatage. Any extension of floating facilities would provide additional cheap transportation and relieve the already overloaded railroads of bulky freight.

(6) Water supply presents a problem in certain localities of the Urals similar to those in the immediate vicinity of the mountain ranges, or in the south where rivers are less numerous and often dry up during the fall and winter months. Further industrial development of such

centers as Orsk, Magnitogorsk, Chelyabinsk, Sverdlovsk, Tagil will necessitate construction of reservoirs to provide their industries and population with adequate supplies of water.

(7) Any development of irrigation systems would greatly benefit the region, the population of which increased many fold during the war and will undoubtedly remain high in the postwar years. In line with the Soviet Government's policy of making each region self-sufficient, the population of the Urals will have to rely to a great extent on local collective and auxiliary farming for its food supplies.

The Ural rivers belong to the basins of three large rivers: the Kama in the west, the Ural in the south, and the Tobol in the east. The rivers of the western slopes of the Ural Range, which extends over 2,250 kilometers from north to south, are longer, wider, and have a more even flow than the rivers of the eastern slopes. The rivers of the Ural Basin are fewer, have very pronounced high-water peaks, are shallow in the dry season, and many lose themselves in the semidesert regions of the southern Urals without reaching the sea. The western rivers are the most suitable for hydroelectric projects; however, the need for additional power and water supply in the south and the west is so great in certain areas that the construction of hydroelectric stations becomes of prime importance, despite the less-favorable conditions. Practically all the Ural rivers depend on precipitation for their water volume, and, as this varies from region to region and from season to season, there is no uniformity in their high-water peaks or their water level. All Ural rivers and lakes freeze in winter for periods ranging from 150 to 180 days.

A series of surveys and studies of the Ural rivers with the object of utilization for hydroelectric installations has been made in the past few years. Among them the most detailed were the Hydro Project of the People's Commissariat for Internal Affairs, completed during the war, and the Hydroelectric Power Project of the Commissariat for Electric Stations.

The surveying of 85 rivers revealed the practicability of constructing two large hydroelectric stations—at Molotov and near Solikamsk—and about 50 medium and small stations with a full capacity of about 1,270,000 kilowatts and an average yearly electric-power output of 5,570,000,000 kilowatt-hours. Total potential power output of these rivers amounts to more than 6,500,000 kilowatts. (This represents about 2.4 percent of the total hydroelectric resources of the U. S. S. R.)

The map on page 4 shows the proposed hydroelectric network in the Urals. Stations under construction are shown by dark dots; projects of first priority are indicated by a dot and a circle. The plan is not final and will undoubtedly undergo a number of modifications before it is completed. To explain the importance of hydroelectric installations in the Urals, an analysis of each oblast is given herewith.

Molotov Oblast

The Molotov oblast contains almost every conceivable variety of natural resources. The potassium salts of the vast Solikamsk–Berezniki area contain precious rubidium and caesium. The area is rich in other salts, among them sodium, magnesium, and bromine. Rich veins of sylvanite are found in the mountain region of the Berezniki area. The oblast has gold, platinum, chromium, copper, lead, sulfur, sulfur pyrites, iodine, mineral pigments, anhydrite, and gypsum. Some of the ores of the rich iron-ore deposits contain titanium and vanadium; the latter is also found in copper sandstones. All the industrial diamonds found in the U. S. S. R. come from the Molotov oblast. Locally obtained asphalt, sandstone, clays, and refractory clays can supply the large demands of the Ural industrial and home building.

The Devonian oil, discovered a little more than a year ago, is beginning to supply the oblast's oil refineries with raw material. The Soviet geologists are already contemplating prospecting for oil in the Silurian strata. Sixty percent of the coal resources and about half of the peat of the Urals are located in the oblast. Natural gas and shale add to the potential fuel supplies. Forests, covering two-thirds of the oblast, contain more than 50 percent of the Ural timber supply.

The development of the Molotov oblast industries began during the prewar Five-Year Plans. Their expansion during the war, when a number of plants from the eastern part of the Union were evacuated to the Urals, was enormous, the oblast's gross output increasing by 150 percent. The Soviet Government's annual investment in the economy of the Molotov oblast in the last 10 to 15 years has amounted to between 500,000,000 and 600,000,000 rubles.

At present the oblast leads the country in the organic-chemical industry and in magnesium production. The chemical industry, oil and coal processing and refining, ferrous and nonferrous metallurgy, and the machine-building, paper and cellulose, and timber industries expanded during the war years and will continue to do so in the postwar period.

The abundance of raw materials of all kinds presents favorable conditions for the development of aniline dyes, plastics, synthetic fiber, and the production of oils.

The rapid industrialization of the oblast made heavy demands on its power supply. At the beginning of 1943, the power-producing facilities could supply only 75 percent of the demand, and the lack of power slowed down the natural expansion of the industries.

It is estimated that the oblast's demand for electric power will almost double during the next few years. Part of this increased demand will be met by the building of new thermoelectric power plants, but the most important additional supply of power will come from hydroelectric installations, construction of some of which is already under way. According to a report submitted at a conference which took place in Molotov in November 1945, the potential hydroelectric capacity of the Urals is more than 11,000,000,000 kilowatt-hours.

The Molotov oblast contains about 65 percent of the total Ural hydroelectric resources, and with the development of those resources will be able to meet the full requirements of the oblast and, in addition, provide power for other regions of the Urals. The most important hydroelectric project of the oblast is the Molotov hydroelectric station, which is to be built above the city of Molotov, 1½ kilometers below the confluence of the Chusovaya and the Kama Rivers. The project includes six double-lock installations for navigation purposes. According to the latest plans, the Molotov station, which is expected to begin partial operation at the end of the current Five-Year Plan, will supply 2,000,000,000 kilowatt-hours a year. This alone will represent a saving of about a quarter of the Kizel Basin's yearly output of coal. The construction of this station will greatly increase the navigability of the Kama and the Chusovaya. (The distance between Molotov and Solikamsk will be decreased by 42 kilometers and between Molotov and Chusovskie Gorodki by 28 kilometers.) Traffic on the Obva, Kosva, and Inva Rivers will be extended over a longer period of the year.

The northern Urals produce at present about 7,000,000 festmeters (1 festmeter is approximately 350 board feet) of timber a year, about half of which is floated down the riverways. The timber output is expected to increase to 12,000,000 festmeters by 1948 and eventually to reach 25,000,000 to 27,000,000 festmeters. The completion of the Molotov project not only will improve the floating facilities, but will allow the construction of local timber combines which will be supplied with power from the new hydroelectric plant.

Another giant installation, the Solikamsk hydroelectric station (No. 1 on the map), is planned for the next Five-Year Plan. According to a tentative project, it will be located 10 kilometers below the confluence of the Vishera and the Kama Rivers. Its planned capacity is 200,000 kilowatts, with a guaranteed capacity of 68,000 in dry years, and a power output of 700,000,000 to 900,000,000 kilowatt-hours. The Solikamsk plant will supply power to the iron-ore mines of the northern part of the Molotov oblast and to the iron-ore, manganese, and bauxite mines of the neighboring Sverdlovsk oblast. Long-range plans for that region include the creation of an enormous reservoir to be fed by the waters of the Kama, the Pechora, and the Vychegda Rivers. The area of this reservoir will surpass that of Lake Lagoda, the largest in Europe (6,998 square miles).

Plans for the third hydroelectric project on the Kama, at Votkinsk, are in a rudimentary stage. In addition to the large installations already mentioned, several medium and small plants are under construction or projected. Among those under construction are the Shirokovo on the Kosva (No. 3 on the map) with a yearly output of about 130,000,000 kilowatt-hours to be completed in 1946, and the Ponysh on the Chusovaya (No. 8), with an output of 105,000,000 kilowatt-hours in an average year. The latter project will greatly improve the navigability of the Chusovaya River, which eventually may be made part of the great Kama–Tobol waterway.

The Nizhne-Shirokovo (No. 4), the Gromovaya (No. 6), the Kumysh (No. 7), and the Vashkur (No. 9) are stations of the second priority, to be built during subsequent Five-Year Plans.

When all the planned hydroelectric and thermoelectric projects are completed, the Molotov oblast will be the center of the power-producing industry and will be able to supply enough power for its own needs and for the neighboring oblasts, poor in power-producing facilities.

The resolution of the Molotov conference points out that the most important problem of the current Five-Year Plan in the Molotov oblast is the development of the power-producing facilities, and the construction of power projects is to receive priority over all other industrial developments and expansion.

Sverdlovsk Oblast

For more than two centuries the Sverdlovsk oblast has led all the other Ural regions in natural resources. The Blagodat Mountain has been yielding iron ore for more than 200 years. In recent years, the manganese mines of Polunochnyi and Marsyatski have been supplying the whole of the Ural industry with manganese ore. The nearby deposits of bauxite are the largest in the Urals. Platinum, gold, wolframite, scheelite, asbestos, jasper, and many other natural resources provide raw materials for the oblast's industries. The Ivdel region, in the north, is rich in timber (cedar is found there in large quantities) and fur-bearing animals.

During the years of the prewar Five-Year Plans the Sverdlovsk oblast developed as an important industrial center with metallurgy and heavy-machine building leading such other industries as chemical, wood-processing, wood-hydrolysis, and paper production. During the war, the evacuation of a number of plants from the West changed the character of the production by switching it almost entirely to defense industries. Turbines, machinery for chemical industry, precision instruments, tools, and roller bearings were among the new products. Aluminum also became an important item.

The industrial development of the Sverdlovsk oblast is continuing. The Novo-Tagil metallurgical combine—which was an important supplier of metal during the war even in its incomplete form—is still in the process of expansion and, when completed, will be almost equal to the Magnitogorsk Combine. The Severski and the Alapaevsk metallurgical plants and the Revda Builders' Hardware Plant also are slated for expansion. Future plans for the Sverdlovsk oblast include a large metallurgical combine in the north which would process the iron ore supplied by the Pervyi Severnyi Mine.

The plants of the Sverdlovsk oblast are rapidly converting to peacetime production. The famous Uralmashzavod is now building equipment for blast furnaces, rolling mills, heavy drilling machines, excavators, equipment for power stations, oil-well drilling equipment, and the like. The Novo-Tagil Car Building Plant, a big producer of tanks during the war, is again building freight cars and railroad equipment. Electrical equipment, electric motors for the coal and machine-tool industries and for radio stations, generators for industry and agriculture are among the products of the Baranchinski plant. Uralkhimtvazhmash, the first chemical machine-building plant in the Urals is now making equipment for oil refineries, machinery for the chemical industry, and for coking and other plants. The Plastmass has switched to large-scale production of consumers' goods.

Efficient operation of all these plants requires an enormous, ever-increasing supply of power. The power demand of the oblast more than doubled between 1940 and 1943 and is expected to double again in the next few years. The Sverdlovsk oblast has some coal, shale, and peat deposits, but they are not sufficient to meet the demand for fuel, and coal has to be brought from other regions, among them the Chelyabinsk oblast. Construction of hydroelectric stations in the neighboring Molotov oblast will alleviate to a certain extent the existing power shortage, but will not eliminate the necessity of building such stations on the oblast's own rivers. It is estimated that the total potential hydroelectric resources of the oblast amount to 635,000 kilowatts. The existing hydroelectric stations amount to only 1,400 kilowatts and those under construction to about 24,000 kilowatts.

Surveys of the rivers Lozva, Ivdel, Kakva, Sosva, Tura, Tagil, Neiva, Rezh, and others, indicate that within the next few years they can supply about 80,000 kilowatts with a yearly output of 320,000,000 kilowatt-hours.

The "first-priority" stations are: The Malomalsk (No. 40 on the map) and the Verkhoturye (No. 43) on the Tura River; the Melkozerovka (No. 50), the Alapaevka (No. 51, already in operation), and the Sinyachikhi (No. 52) on the Neiva River. These stations, and stations of the "second priority" to be constructed on the Tura, Neiva, Kakva and Tagil, will have threefold importance to the industrial development of the Sverdlovsk oblast: they will supply power, improve the navigability of the Tura and the Sosva and make a new waterway of the Tagil River (which may later connect with the Chusovaya), and supply with water such large industrial centers as Sverdlovsk, Nizhni-Tagil, and Serov.

Chelyabinsk Oblast

Ferrous metallurgy and machine building are the Chelyabinsk oblast's chief industries, with nonferrous metallurgy (copper, zinc, nickel, and the like) also playing an important part in the general industrial expansion of the oblast. In prewar years, the Chelyabinsk oblast built tractors, heavy machinery, and freight cars. The Chelyabinsk tractor plant alone produced almost one-third of the total tractor output in the country. Combined with the evacuated Kirov plant during the war, it turned into the greatest tank-producing unit in the country. In line with most of the other Ural plants, it is now being reconstructed for peacetime production and is producing a new model, the S–80, an 80-horsepower track-laying tractor of the "Stalinets" type. The Kopeisk Machine-Building Plant is now producing mining machinery and equip-

ment. Freight cars, flour-mill equipment, and peat-excavating machinery, are on the present schedule of the Ust-Katavski Plant. The Kusa Machine-Building Plant will be supplying electric stations with machinery and equipment. New items produced by the Chelyabinsk Mechanical Plant include roller bearings for tractors. Miass is the location of a new automobile plant, now under construction. It is hardly necessary to mention the great Magnitogorsk Metallurgical Combine, one of the most modern of the Soviet steel plants. In addition to the afore-mentioned industries, the Chelyabinsk oblast has a well-developed food industry which produces about one-fourth of the total Ural food output. Another consumer of power will be the South Ural Railroad line, sections of which have already been electrified.

The Chelyabinsk oblast has large deposits of brown coal. However, owing to the fact that these local deposits have to supply the oblast's thermoelectric stations, its only power source, and the thermoelectric stations of the Sverdlovsk and the Kamensk areas (with a capacity of about 500,000 kilowatts), the additional power supplied by hydroelectric installations would be more than welcome.

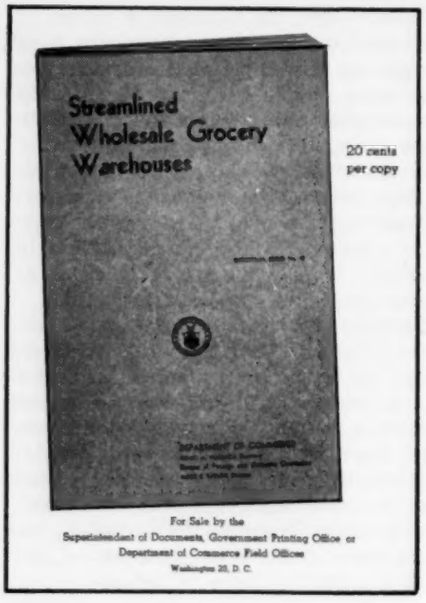
The first priority stations are: The Zyurat-Kul (No. 22), on the Bolshaya Satka; the Zmeegorsk (No. 26) and the Peschanogorsk (No. 27), on the Yuryuzan; the Argazi (No. 54), on the Miass. These, and other stations to be constructed on the Bolshaya Satka, the Ufa, and the Ufalei, will represent additional capacity of 70,000 kilowatts, with about 250,000,000 kilowatt-hours a year. Total potential capacity of the Chelyabinsk oblast's rivers is 500,000 kilowatts.

Apart from the problem of power supply, these hydroelectric constructions will greatly improve the rather limited water supply of the Chelyabinsk and the Magnitogorsk areas.

The Bashkir A. S. S. R.

As in other Ural regions, Bashkiria's intensive industralization began during the first two of the Five-Year Plans and progressed rapidly during the war years. The Republic's main industries are oil and oil refining, machine building, metallurgy, and wood processing. The next few years probably will see the development of the chemical industry.

During the war, the thermoelectric plants of the Ufa industrial center had to rely on local oil and Karaganda coal, inasmuch as the Chelyabinsk coal, the nearest to the area, was not available in any quantity owing to the great demand for fuel in that oblast itself. Within the last year the fuel situation in Bashkiria has been improved by the discovery of



Devonian oil in the Tuimazy area and by newly opened deposits of brown coal. (The Republic's potential coal supplies are now estimated at 250,000,000 tons.) However, new enterprises projected in the current Five-Year Plan, and the abundance of iron ore, copper (Bashkiria's copper reserves are second largest in the Union), and other nonferrous metals, refractory clays, and molding-sand deposits, indicate the future industrial expansion of the region. Hydroelectric installations on the Ufa, Ai, and Inzer Rivers can supply Bashkiria with an additional 340,000 kilowatts and a yearly output of 1,460,000,000 kilowatt-hours. One hydroelectric station is already being built on the upper Belaya River (No. 30). The most important project now under consideration is the Nizhne-Ufimskaya G. E. S. on the Ufa River, about 25 kilometers from the confluence of the Ufa and the Belaya. This station, with its 48,000-kilowatt capacity and its 200,000,000-kilowatt-hour output, will greatly relieve the now strained power-producing facilities of the Ufa industrial center. It also will raise the level of the Ufa River along a 300-kilometer stretch, thus increasing the river transportation facilities in the region.

Chkalov Oblast

In the past, the Chkalov oblast was almost exclusively agricultural, and it has only recently begun to develop into an industrial area. Large deposits of iron and manganese ore, nickel, copper, tungsten, gold, granite, jasper, salt, and other natural resources create favorable conditions for a substantial expansion of the new existing metallurgical industry, oil refining, and food industry. The expanding metallurgical industry (a big metallurgical combine is now being built in the Orsk area) and the ever-increasing number of plants and workshops manufacturing consumers' goods will create additional demands on the oblast's power-producing facilities. Local supplies of coal are very limited and of poor grade; consequently, coal has to be brought from other regions, most of it from Karaganda.

Another problem, peculiar to the Chkalov oblast, is the comparative scarcity of large rivers, and the inadequacy of the water supply. The water flow of the Ural River depends almost entirely on melting snow. From 80 to 90 percent of its entire yearly flow takes place in the spring, and the river becomes shallow in the dry months.

The most important project of the Ural River is the Irikel Station (No. 32) with a large reservoir, a dam, a spillway, and a power plant of 30,000-kilowatt capacity. The construction of this station will provide the Orsk-Khalilovo area with an adequate and steady supply of water, will eliminate spring floods, provide irrigation water for the farms and the vegetable gardens of the Orsk area, and will supply additional power for the region's plants. The same advantages are cited for the proposed hydroelectric installation on the Sakmara River in the vicinity of the city of Chkalov. The construction of the projected stations will greatly increase the navigability of the Ural River, and river traffic will be possible from Guryev to Chkalov.

It is necessary to point out that the most efficient utilization of the Ural region's rivers comprises the building of hydroelectric stations in a cascade formation.

Rough estimates reveal that the amount of power supplied by the proposed hydroelectric installations will represent a saving of about 6,000,000 tons of Chelyabinsk coal and will supply current to localities now removed from the main power lines. It is also said that this is a low-cost power supply, which will make the operation of the industrial plants more economical.

An adequate supply of power for the Ural plants, mines, and railroads will eliminate the existing bottlenecks in industrial production, ease the congestion in the transportation system, and allow a rapid development of an already highly industrialized region of the U. S. S. R.

British Guiana's imports of paints in 1945 were worth 40 percent more than in 1944. Totals were $656,000 and $466,474, respectively. (The British Guiana dollar is worth approximately 85 cents).

New Books and Reports

★The following publications, added to the Department's research facilities, through the courtesy of the authors and publishers, are listed as a service to businessmen. *Please note:* The Department has no copies of private publications for distribution and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

Articles of interest to businessmen, appearing in the Department of State Bulletin, June 16, 1946.

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Superintendent of Documents, Washington 25, D. C., for the price of 10 cents each; subscription price, $3.50. The June 16 issue contains these articles:

THE PARIS AGREEMENT ON REPARATION FROM GERMANY. By John B. Howard.

PROPOSALS FOR AMENDMENT OF ILO CONSTITUTION. By Bernard Wiesman.

LEND-LEASE SETTLEMENT WITH AUSTRALIA.

THE PROCLAIMED LIST.

POLICY STATEMENT REGARDING ALIENS IN JAPAN.

TRANSIT USE OF AZORES AIRPORT.

Other Publications

INTERNATIONAL BUSINESS DICTIONARY. Frank Gaynor. 1946. 452 pp. Price, $6. A business dictionary in five languages—English, German, French, Spanish, and Italian. An aid to translators, importers, exporters, commercial correspondents, and to anyone whose daily business involves the reading and writing of communications in a foreign language.

Available from: The Philosophical Library, 15 East Fortieth Street, New York 16, N. Y.

THE PEOPLES OF THE SOVIET UNION. Corliss Lamont. 1946. 229 pp. Price, $3. A description of the races and republics that make up the Soviet Union.

Available from: Harcourt, Brace & Co., 383 Madison Avenue, New York 17, N. Y.

THE ABSOLUTE WEAPON. Bernard Brodie, Editor. 1946. 214 pp. Price, $2. Describes the revolution in the science of warfare caused by the atomic bomb, maps the changes in international relations generally, and examines the possibilities and pitfalls of the suggested methods of control.

Available from: Harcourt, Brace & Co., 383 Madison Avenue, New York 17, N. Y.

CENTRAL EASTERN EUROPE. Joseph S. Roucek and associates. 1946. 679 pp. Price, $5. A collection of studies aiming to synthesize, summarize, and reinterpret available knowledge about this region, and its historical development, with particular emphasis on the period following World War I.

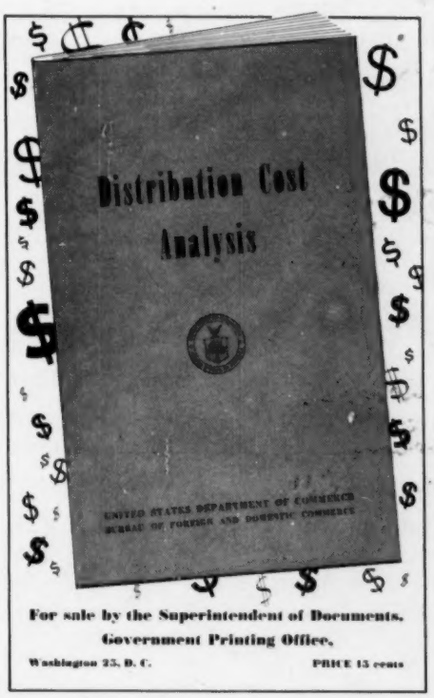
Available from: Prentice-Hall, Inc., 70 Fifth Avenue, New York 11, N. Y.

U. S. Export Documents

According to information from the Bureau of the Census, the use of United States Postal Form S–250 has been discontinued. Furthermore, the number of the form, obtained from the United States Department of Commerce, known as the Shipper's Export Declaration, is 7525–V.

[Persons holding "Preparing Shipments to the British West Indies," which appeared recently in the International Reference Service of the Department of Commerce, should enter these data on their copy.]

A new plant to manufacture synthetic resins will be erected in Santander, Spain, according to the Spanish press. The country's annual output of these materials, amounting to about 2,000 metric tons, is said to be sufficient to supply domestic needs.


Distribution Cost Analysis
UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF FOREIGN AND DOMESTIC COMMERCE
For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D. C. PRICE 15 cents

Contributors' Column

Eugenie Bouianovsky ("The Urals: Present Center of Soviet Industrial Power").—Born Armavir, Russia. Cathedral School for Girls, Shanghai; Russian Gymnasium, Paris, France; Licencié en Droit, Université de Paris. Export Division, General Motors Corporation, Paris, France, and New York City; Navy Department, Washington, 1942–45; joined the Bureau of Foreign and Domestic Commerce as Economic Analyst, August 1945; at present in U. S. S. R. Section, European Division, Office of International Trade. Lived in England, as well as in Russia, China, and France.

Print Hudson ("Greece's Aromatic Tobacco: Possibilities and Enigmas").—Born in Madison County, Tenn. Union University, Jackson, Tenn., B. S. 1922; Peabody College, Nashville, M. A. 1927; studied political science and economics, Iowa State University, 1928–34; Instructor at Union University, 1922–24 and 1926–30; U. S. Veterans' Bureau, Nashville, 1924–26; Brookings Institution, Washington, 1931–32; Instructor at Iowa State, 1932–34; Department of Agriculture, Washington, 1934–35; Resettlement Administration, 1935–38; Department of Agriculture, Little Rock, 1939–42; U. S. Civil Service Commission, 1942–45; appointed as Agricultural Attaché at Athens by State Department, July 1945.

Marian K. Tate ("Amsterdam Diamond Trade: Some Sparkle Is Recaptured").—Born Washington, D. C.; George Washington University, A. B., 1925; graduate work University of Chicago, 1935–37, and George Washington University 1944–46; Pan American Union, 1926–32; now on Industry Analysis Staff, Office of International Trade.

Prague Fair Names U. S. Representative

The Prague International Fair, which is to take place in the Czechoslovak capital from September 15 through September 22, has just designated Pan-Atlantic, Inc., 59 Pearl Street, New York City, as its official representative in this country.

That organization will be glad to supply full information to interested persons, and to assist potential exhibitors in any way possible.

Department of Commerce
Field Service

Atlanta 3, Ga., 1404 Candler Bldg.

Baltimore 2, Md., 803 Cathedral St.

Boston 9, Mass., 1800 Customhouse.

Buffalo 3, N. Y., 242 Federal Bldg.

Charleston 3, S. C., 310 Peoples Bldg.

Charleston 1, W. Va., 612 Atlas Bldg.

Chattanooga, Tenn., 924 James Bldg.

Chicago 4, Ill., 357 U. S. Court House.

Cincinnati 2, Ohio, 1204 Chamber of Commerce Bldg.

Cleveland 14, Ohio, 1286 Union Commerce Bldg.

Dallas 2, Tex., Chamber of Commerce Bldg.

Denver 2, Colo., 302 Midland Savings Bldg.

Des Moines, Iowa, 518 Grand Ave., Room 300.

Detroit 26, Mich., 1028 New Federal Bldg.

Duluth 5, Minn., 310 Christie Bldg.

El Paso 7, Tex., Chamber of Commerce Bldg.

Fargo 6, N. Dak., 207 Walker Bldg.

Grand Rapids 2, Mich., 736 Keeler Bldg.

Hartford, Conn., 436 Capitol Ave.

Houston 14, Tex., 603 Federal Office Bldg.

Jacksonville 1, Fla., 425 Federal Bldg.

Kansas City 6, Mo., 600 Interstate Bldg., 417 E. 13th St.

Little Rock 5, Ark., 312 Pyramid Bldg.

Los Angeles 12, Calif., 1540 U. S. Post Office and Courthouse.

Louisville 2, Ky., 410 Lincoln Bank Bldg.

Memphis 3, Tenn., 229 Federal Bldg.

Miami 32, Fla., 701 Congress Bldg.

Minneapolis 1, Minn., 1234 Metropolitan Life Bldg.

Mobile 5, Ala., City Hall Annex.

New Orleans 12, La., Masonic Temple Bldg., 333 St. Charles Ave., Room 1508

New York 1, N. Y., Empire State Bldg., 350 Fifth Ave., 60th Floor.

Oklahoma City 6, Okla., 404 Kerr-McGee Bldg.

Omaha 2, Nebr., 918 City National Bank Bldg.

Philadelphia 3, Pa., Fox Bldg.

Pittsburgh 19, Pa., 1013 New Federal Bldg.

Portland 3, Maine, Congress Bldg.

Portland 4, Oreg., Rm. 313, 520 S. W. Morrison St.

Providence 3, R. I., 613 Industrial Trust Bldg.

Richmond 19, Va., 801 E. Broad St., Room 2, Mezzanine.

St. Louis 1, Mo., 107 New Federal Bldg.

Salt Lake City 1, Utah, 321 Atlas Bldg.

San Antonio 5, Tex., 101 Transit Tower Bldg., c/o CPA.

San Francisco 11, Calif., 307 Customhouse.

Savannah, Ga., Room 6, U. S. Courthouse and Post Office Bldg.

Seattle 4, Wash., 809 Federal Office Bldg.

Sioux Falls 6, S. Dak., 310 Policyholders National Bldg.

Syracuse 2, N. Y., 224 Harrison St.

Wichita 2, Kans., 205 K. F. H. Bldg.

U. S. GOVERNMENT PRINTING OFFICE: 1945